



Major Market Indicators

	5 Jan	4 Jan	3 Jan
Mkt. Turn.(mn)	81,830	79,269	79,269
Stock Advances	619	686	603
Stock Declines	965	882	983
HSI	16,535	16,646	16,646
Change	-111	0	-142

HSI Technical Indicators

10-days MA	16,690
50-days MA	17,055
250-days MA	19,007
14-days RSI	44.5
Primary resistance	17,200
Primary support	16,400

HSCEI Technical Indicators

10-days MA	5,641
50-days MA	5,830
250-days MA	6,469
14-days RSI	44.3
Primary resistance	5,900
Primary support	5,400

Stock Pick

China Shenhua (1088)

Target: \$31

Stop loss: \$23

The company's earlier guidance of coal production was 309 million tons. Based on the production of 296 million tons in the first eleven months of 2023, it is believed that it will be able to achieve the full-year coal production target. 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 People's Bank of China held its 2024 work conference on Thursday and Friday last week, in which it pointed out that monetary policy must be flexible, precise, and maintain liquidity to ensure rapid growth in social financing. It was mentioned that the money supply indicated by the central government earlier was consistent with the expected goals of economic growth and price levels. It also mentioned the need to improve the convenience for foreign investors to participate in China's bond market and promote the healthy development of the offshore RMB market.

Hong Kong Stock Connect saw a net inflow of HK\$1.61 billion on Friday. Among them, Tracker Fund (2800) had the largest net inflow, reaching HK\$1.34 billion; followed by CNOOC (883). Tencent (700) recorded the largest net outflow of HK\$1.3 billion; followed by Agricultural Bank of China (1288).

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	65.8
FY24 P/E (X)	8.90
FY24 Dividend yield (%)	7.96
52 week high	70.2
52 week low	53.1
14 RSI	70.37

Analyst: Cynthia Tam

Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
Balance (RMB bn)	39.9	41.0	81.0
Balance as % of Quota Amount	95.2	97.7	96.4

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
TENCENT	700	371,877,300	1,153,163,038	1,525,040,338
CHINA MOBILE	941	527,426,450	231,491,125	758,917,575
TRACKER FUND	2800	730,235,435	855,095	731,090,530
CNOOC	883	569,633,380	109,849,920	679,483,300
MEITUAN-W	3690	291,045,715	232,271,807	523,317,522
ICBC	1398	186,560,440	91,384,550	277,944,990
CCB	939	181,644,810	69,494,090	251,138,900
XPENG-W	9868	109,882,745	132,680,110	242,562,855
ABC	1288	5,173,450	233,203,820	238,377,270
SMIC	981	91,297,570	133,536,220	224,833,790

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	377,849,780	900,864,007	1,278,713,787
CHINA MOBILE	941	351,249,125	424,617,325	775,866,450
TRACKER FUND	2800	614,840,885	4,889,090	619,729,975
CCB	939	42,013,400	370,719,560	412,732,960
CNOOC	883	194,598,800	133,504,920	328,103,720
INNOVENT BIO	1801	96,478,325	114,398,067	210,876,392
CSOP HS TECH	3033	198,430,630	1,427,865	199,858,495
HSCEI ETF	2828	188,383,792	877,104	189,260,896
KUAISHOU-W	1024	36,670,790	144,436,885	181,107,675
MEITUAN-W	3690	91,096,100	84,344,044	175,440,144

Sources: HKEx

Other Statistics

Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover(Billion)
TENCENT	700	-2.21%	292.20	6.956
BABA-SW	9988	-3.24%	71.65	3.745
TRACKER FUND	2800	-0.77%	16.68	2.766
CHINA MOBILE	941	2.73%	65.80	1.929
MEITUAN-W	3690	0.32%	77.75	1.509
BYD COMPANY	1211	-0.67%	208.20	1.273
CNOOC	883	1.65%	13.58	1.188
CCB	939	-0.65%	4.57	1.169
AIA	1299	0.23%	64.40	1.143
ICBC	1398	-0.79%	3.75	1.019

Ten Short Sell Stocks

Stock Name	Code	Short Sell Amount	Turnover	Short Sell Ratio
TRACKER FUND	02800.HK	2.43B	2.77B	88.02%
BABA-SW	09988.HK	1.05B	3.75B	28.13%
TENCENT	00700.HK	641.66M	6.96B	9.23%
CSOP HS TECH	03033.HK	590.28M	988.54M	59.71%
BYD COMPANY	01211.HK	579.33M	1.27B	45.50%
HSCEI ETF	02828.HK	541.82M	814.96M	66.48%
XL2CSOPHSTECH	07226.HK	454.88M	889.53M	51.14%
XIAOMI-W	01810.HK	235.29M	834.64M	28.19%
CCB	00939.HK	227.37M	1.17B	19.45%
CHINA MOBILE	00941.HK	226.42M	1.93B	11.74%

Source: AA Stocks

Economic Calendars

Date	Country	Event	Survey	Prior
Mon	Euro Zone	Nov. Retail Sales (YoY)		-1.2%
		Dec. Consumer Confidence		-15.1
Tue	US	Nov. Trade Balance	-\$64.8b	-\$64.3b
		EIA Short-Term Energy Outlook		
		API Weekly Crude Oil Stock		-7.418m
Wed	US	Nov. Wholesale Inventories (MoM)	-0.2%	-0.2%
		10-Year Note Auction		
Thu	US	Dec. CPI (YoY)	3.3%	3.1%
		Dec. Core CPI (YoY)	3.8%	4.0%
		Initial Jobless Claims (Till Jan 6)		
		Continuing Jobless Claims (Till Dec 30)		
Fri	US	Dec. PPI (YoY)	1.4%	0.9%
	China	Dec. CPI (YoY)	-0.3%	-0.5%
		Dec. PPI (YoY)	-2.7%	-3.0%
		Dec. Exports (YoY)	1.5%	0.5%
		Dec. Import (YoY)	0.0%	-0.6%

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