



Major Market Indicators

	8 Jan	5 Jan	4 Jan
Mkt. Turn.(mn)	84,400	81,830	79,269
Stock Advances	426	619	686
Stock Declines	1,216	965	882
HSI	16,224	16,535	16,646
Change	-311	-111	0

HSI Technical Indicators

10-days MA	16,191
50-days MA	16,436
250-days MA	16,639
14-days RSI	39.70
Primary resistance	16,500
Primary support	16,000

HSCEI Technical Indicators

10-days MA	5,469
50-days MA	5,566
250-days MA	5,626
14-days RSI	38.80
Primary resistance	5,600
Primary support	5,200

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

Geopolitical unease continues to grow. On top of that, 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

According to statistics from the Federal Bank of New York, the median one-year inflation expectation fell to 3% in December, falling for the third consecutive month; the previous value was 3.4%, and a new low since January 2021. Respondents' expectations for food and rent increases fell in December, while energy prices increased modestly. The current level of inflation has fallen very close to the 2% to 3% range over the past two decades. This has helped guide Federal Reserve officials to support rates cut. Fed officials have also generally believed that inflation Expectations have a strong impact on actual price pressures.

Hong Kong Stock Connect had a net outflow of HK\$1.43bn on Monday, of which CNOOC (883) had the largest inflow, reaching HK\$523mn; followed by China Telecom (0728). Tencent (0700) recorded the largest net outflow of HK\$638mn, followed by SMIC (0981).

Daily Focus

SPDR Gold ETF (2840): Geopolitical unrest continues to intensify, continuing to provide support for gold prices

- Geopolitical unease continues to grow. The economic outlook remains cautious as Houthi attacks on shipping in the Red Sea disrupt global supply chains and there are geopolitical uncertainties due to the Taiwanese election in January and the U.S. election in November. This risk aversion, coupled with ongoing wars in Europe and the Middle East, continues to support gold prices.
- On top of that, the market expects interest rate cuts to begin as early as the second quarter of 2024. 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.
- If investors do not want to bear company specific risk, they can pay attention to gold ETFs. Taking the SPDR Gold ETF (2840) as an example, the rolling one-year tracking error is only 0.06%, and the historical trend is close to the trend of gold prices.

SPDR Gold ETF (2840):Info	
Closed price	1470.5
FY24 P/E (X)	-
FY24 Dividend yield (%)	-
52 week high	1515.0
52 week low	1317.5
14 RSI	49.24

Analyst: Cynthia Tam

Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
Balance (RMB bn)	52.14	54.17	83.83
Balance as % of Quota Amount	100.3	104.2	99.8

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
CNOOC	883	481,283,500	405,753,800	887,037,300
TENCENT	700	279,623,240	565,758,425	845,381,665
MEITUAN-W	3690	320,710,030	396,672,703	717,382,733
CHINA MOBILE	941	487,833,950	176,436,350	664,270,300
XPENG-W	9868	133,503,390	330,752,540	464,255,930
XIAOMI-W	1810	219,918,224	167,138,100	387,056,324
CCB	939	228,927,410	154,098,310	383,025,720
SMIC	981	141,953,920	235,433,618	377,387,538
CHINA TELECOM	728	194,482,760	79,422,240	273,905,000
TRAD CHI MED	570	110,948,940	151,173,220	262,122,160

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	303,289,460	655,381,300	958,670,760
CNOOC	883	573,493,820	126,351,933	699,845,753
CHINA MOBILE	941	200,115,375	402,101,300	602,216,675
MEITUAN-W	3690	131,755,750	315,890,662	447,646,412
XPENG-W	9868	169,220,850	222,717,317	391,938,167
SMIC	981	95,877,870	274,021,182	369,899,052
CSOP HS TECH	3033	121,350,590	229,706,652	351,057,242
CCB	939	55,952,820	251,258,490	307,211,310
XIAOMI-W	1810	155,315,948	148,820,044	304,135,992
TRACKER FUND	2800	3,311,850	247,469,155	250,781,005

Sources: HKEx

Other Statistics

Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover(Billion)
TENCENT	700	-1.44%	288.00	4.809
TRACKER FUND	2800	-1.92%	16.36	3.881
MEITUAN-W	3690	-4.89%	73.95	2.445
BABA-SW	9988	-1.81%	70.35	2.402
CSOP HS TECH	3033	-3.34%	3.41	2.116
XIAOMI-W	1810	-3.88%	14.36	1.790
CNOOC	883	0.74%	13.68	1.674
CCB	939	-1.53%	4.50	1.497
PING AN	2318	-3.98%	32.55	1.385
CHINA MOBILE	941	-0.61%	65.40	1.324

Ten Short Sell Stocks

Stock Name	Code	Short Sell Amount	Turnover	Short Sell Ratio
TRACKER FUND	02800.HK	2.47B	3.88B	63.53%
CSOP HS TECH	03033.HK	1.62B	2.12B	76.37%
XL2CSOPHSTECH	07226.HK	783.75M	1.20B	65.49%
TENCENT	00700.HK	667.17M	4.81B	13.87%
BYD COMPANY	01211.HK	556.43M	1.31B	42.51%
BABA-SW	09988.HK	517.32M	2.40B	21.54%
XIAOMI-W	01810.HK	490.64M	1.79B	27.41%
MEITUAN-W	03690.HK	405.32M	2.44B	16.58%
CCB	00939.HK	339.78M	1.50B	22.70%
HSBC HOLDINGS	00005.HK	284.55M	1.15B	24.71%

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%
		Dec. CPI (YoY)	-0.3%	-0.5%
	China	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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