

Major Market Indicators

	11 Jan	10 Jan	9 Jan
Mkt. Turn.(mn)	93,700	74,500	81,900
Stock Advances	936	662	815
Stock Declines	674	926	744
HSI	16,302	16,097	16,190
Change	+205	-93	-34

HSI Technical Indicators

10-days MA	16,363
50-days MA	16,225
250-days MA	16,545
14-days RSI	49.78
Primary resistance	16,600
Primary support	16,200

HSCEI Technical Indicators

10-days MA	5,514
50-days MA	5,465
250-days MA	5,589
14-days RSI	50.69
Primary resistance	5,600
Primary support	5,200

Stock Pick

China Mobile (941)

Target: \$74

Stop loss: \$56

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.

Shenzhou (2313)

Target: \$95

Stop loss: \$68

Shenzhou's new factories in Cambodia and Vietnam are still in the expansion stage, and there is still room for further improvement in production efficiency. The share price of Shenzhou fell earlier due to customer Nike lowering its management guidance, but it is believed that the current price has generally responded to the negative factors. The market expects Shenzhou's revenue to resume growth in 2024, with an average growth rate of approximately 15% in three years, while profits will continue to exceed 20%.

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

Consumer Price Index (CPI) data for December was slightly higher than expected, with the CPI rising 0.3% for the month, pushing the annualized inflation rate to 3.4%. Economists had previously expected the CPI to increase by 0.2% mom in December and 3.2% yoy. Excluding volatile food and energy prices, so-called core CPI fell to 3.9% in December from 4% in November, but was above expectations of 3.8%. Core CPI rose 0.3% mom, in line with expectations. The main reason for the increase is rising housing costs. The category rose 0.5% in December, accounting for more than half of the increase in core CPI.

Hong Kong Stock Connect had a net inflow of HK\$5.42bn on Thursday, of which CCB (939) had the largest net inflow, reaching HK\$0.14bn; followed by Kuaishou (1024). Tracker Fund (2800) recorded the largest net outflow at HK\$4.41bn, followed by HSCEI ETF (2828).

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	65.05
FY24 P/E (X)	8.81
FY24 Dividend yield (%)	8.05
52 week high	70.20
52 week low	53.60
14 RSI	60.1

Analyst: Cynthia Tam

Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
Balance (RMB bn)	51.06	46.23	87.31
Balance as % of Quota Amount	98.2	88.9	103.9

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	1,393,670	2,165,792,620	2,167,186,290
MEITUAN-W	3690	388,691,340	636,232,734	1,024,924,074
TENCENT	700	548,907,540	475,515,380	1,024,422,920
WUXI BIO	2269	412,698,100	427,991,600	840,689,700
CNOOC	883	149,563,220	340,254,220	489,817,440
CHINA MOBILE	941	216,316,625	191,845,844	408,162,469
CHINA SHENHUA	1088	119,324,600	217,498,211	336,822,811
HSCEI ETF	2828	6,435,636	296,788,612	303,224,248
XIAOMI-W	1810	126,018,792	136,020,684	262,039,476
CCB	939	200,069,030	57,074,070	257,143,100

Sources: HKEx

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
TRACKER FUND	2800	2,296,500	2,252,716,980	2,255,013,480
TENCENT	700	304,380,760	735,715,200	1,040,095,960
MEITUAN-W	3690	458,824,575	237,723,183	696,547,758
HSCEI ETF	2828	893,212	481,220,820	482,114,032
WUXI BIO	2269	199,379,900	259,237,166	458,617,066
CSOP HS TECH	3033	103,434,570	289,812,385	393,246,955
XIAOMI-W	1810	109,554,648	244,005,680	353,560,328
CHINA MOBILE	941	33,937,775	190,681,629	224,619,404
CNOOC	883	124,076,820	99,054,420	223,131,240
KUAISHOU-W	1024	128,733,400	85,436,055	214,169,455

Sources: HKEx

Other Statistics

Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover(Billion)
TRACKER FUND	2800	1.29%	16.46	11.349
TENCENT	700	2.57%	287.40	5.924
MEITUAN-W	3690	5.37%	75.60	4.241
WUXI BIO	2269	8.75%	30.45	3.374
BABA-SW	9988	2.24%	70.85	3.177
HSCEI ETF	2828	1.46%	55.68	2.486
BYD COMPANY	1211	3.81%	212.40	2.353
CSOP HS TECH	3033	2.32%	3.44	2.042
WUXI APPTec	2359	6.69%	79.00	1.826
XIAOMI-W	1810	2.70%	14.48	1.565

Ten Short Sell Stocks

Stock Name	Code	Short Sell Amount	Turnover	Short Sell Ratio
TRACKER FUND	02800.HK	893.22M	3.18B	28.07%
HSCEI ETF	02828.HK	638.27M	1.57B	40.66%
BYD COMPANY	01211.HK	471.08M	1.16B	40.78%
WUXI BIO	02269.HK	409.28M	2.15B	19.03%
TENCENT	00700.HK	373.35M	2.77B	13.50%
XL2CSOPHSTECH	07226.HK	261.53M	496.61M	52.66%
CSOP HS TECH	03033.HK	235.34M	699.33M	33.65%
CCB	00939.HK	186.29M	686.97M	27.12%
XIAOMI-W	01810.HK	173.83M	554.45M	31.35%
MEITUAN-W	03690.HK	171.00M	1.78B	9.63%

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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