

Major Market Indicators

	12 Jan	11 Jan	10 Jan
Mkt. Turn.(mn)	69,500	93,700	74,500
Stock Advances	695	936	662
Stock Declines	840	674	926
HSI	16,245	16,302	16,097
Change	-57	+205	-93

HSI Technical Indicators

10-days MA	16,249
50-days MA	16,283
250-days MA	16,528
14-days RSI	44.62
Primary resistance	16,600
Primary support	16,200

HSCEI Technical Indicators

10-days MA	5,485
50-days MA	5,490
250-days MA	5,585
14-days RSI	45.21
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

The National Bureau of Statistics announced on Friday that the Consumer Price Index (CPI) in December fell by 0.3% year-on-year, 0.2 percentage points narrower than the decline in November. It has recorded negative values for three consecutive months. The overall inflation in 2023 will be 0.2%. Changes in pork prices continued to be a drag in December last year. Pork prices fell by 26.1% year-on-year in December, causing overall inflation to drop 0.43 percentage points. Looking back, pork prices in 2023 have been relatively stable for most of the time, unlike the significant fluctuations in pig prices that began in the second half of 2022. Therefore, the base effect of pig prices in 2024 will be significantly reduced compared to 2023.

The net inflow of Hong Kong Stock Connect on Friday was HK\$1.47 billion. Among them, China Mobile (941) had the largest inflow, reaching HK\$175 million; followed by China Construction Bank (939). Tencent (700) recorded the largest net outflow of HK\$216 million; followed by HSBC (0005).

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	65.10
FY24 P/E (X)	8.84
FY24 Dividend yield (%)	8.00
52 week high	70.20
52 week low	54.55
14 RSI	61.81

Analyst: Cynthia Tam

Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
Balance (RMB bn)	50.41	53.88	81.33
Balance as % of Quota Amount	97.0	103.6	96.8

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
TENCENT	700	285,337,460	537,779,746	823,117,206
MEITUAN-W	3690	245,257,920	403,805,146	649,063,066
CNOOC	883	184,532,180	228,482,538	413,014,718
CHINA MOBILE	941	235,292,075	59,799,675	295,091,750
MEITU	1357	144,806,585	146,835,405	291,641,990
WUXI BIO	2269	106,017,450	115,557,616	221,575,066
XPENG-W	9868	118,387,325	101,959,635	220,346,960
XIAOMI-W	1810	91,684,376	101,983,420	193,667,796
CCB	939	145,893,880	21,654,380	167,548,260
HSBC HOLDINGS	5	2,849,100	161,142,200	163,991,300

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	255,790,600	220,190,460	475,981,060
MEITUAN-W	3690	182,094,720	94,001,032	276,095,752
MEITU	1357	184,292,105	91,550,565	275,842,670
CNOOC	883	197,377,280	60,978,760	258,356,040
WUXI BIO	2269	182,007,975	67,224,780	249,232,755
XIAOMI-W	1810	75,131,896	172,824,476	247,956,372
EAST BUY	1797	63,673,900	128,114,639	191,788,539
LI AUTO-W	2015	100,128,630	41,877,050	142,005,680
SMIC	981	65,775,160	70,639,230	136,414,390
FLAT GLASS	6865	36,888,340	87,621,340	124,509,680

Sources: HKEx

Other Statistics

Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover(Billion)
TENCENT	700	0.35%	288.40	4.565
TRACKER FUND	2800	-0.43%	16.39	4.131
MEITUAN-W	3690	-0.46%	75.25	2.639
BABA-SW	9988	-0.42%	70.55	1.998
AIA	1299	0.63%	63.45	1.675
HSBC HOLDINGS	5	-2.38%	61.50	1.558
BYD COMPANY	1211	-0.66%	211.00	1.449
WUXI BIO	2269	-3.12%	29.50	1.268
MEITU	1357	-12.46%	3.02	1.259
CSOP HS TECH	3033	-1.05%	3.40	1.189

Ten Short Sell Stocks

Stock Name	Code	Short Sell Amount	Turnover	Short Sell Ratio
TRACKER FUND	02800.HK	1.70B	4.13B	41.18%
TENCENT	00700.HK	654.57M	4.56B	14.34%
BYD COMPANY	01211.HK	642.06M	1.45B	44.31%
MEITUAN-W	03690.HK	427.14M	2.64B	16.19%
WUXI BIO	02269.HK	322.42M	1.27B	25.43%
XL2CSOPHSTECH	07226.HK	314.71M	705.48M	44.61%
CSOP HS TECH	03033.HK	309.68M	1.19B	26.05%
CCB	00939.HK	235.14M	806.94M	29.14%
XIAOMI-W	01810.HK	234.35M	966.02M	24.26%
HSBC HOLDINGS	00005.HK	231.74M	1.56B	14.87%

Source: AA Stocks

Economic Calendars

Date	Country	Event	Survey	Prior
Mon	US	Market will close (Dr. Martin Luther King Jr. Day)		
	Euro Zone	Nov. Industrial Production SA (MoM)		-0.7%
		Nov. Trade Balance SA		10.9b
Wed	US	Dec. Retail Sales (MoM)	0.4%	0.3%
		Dec. Retail Sales Ex Auto (MoM)	0.2%	0.2%
		Dec. Industrial Production (MoM)	-0.1%	0.2%
		Nov. Business Production (MoM)	-0.1%	-0.1%
	China	Q2. GDP (YoY)	5.2%	4.9%
		Dec. Industrial Production (YoY)	6.6%	6.6%
		Dec. Fixed Assets Ex Rural YTD (YoY)	2.9%	2.9%
		Dec. Retail Sales (YoY)	8.0%	10.1%
Thu	US	Dec. Building Permits	1,480k	1,467k
		Jan. Philadelphia Fed Business Outlook	-6.5	-12.8
		Dec. Housing Starts	1,415k	1,560k
Fri	US	Initial Jobless Claims (Till Jan 13)		202k
		Continuing Jobless Claims (Till Jan 6)		1,834k
		Jan. University of Michigan Sentiment	68.0	69.7
		Dec. Existing Home Sales	3.84m	3.82m

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