

Major Market Indicators

	15 Jan	12 Jan	11 Jan
Mkt. Turn.(mn)	71,100	69,500	93,700
Stock Advances	709	695	936
Stock Declines	841	840	674
HSI	16,216	16,245	16,302
Change	-28	-57	+205

HSI Technical Indicators

10-days MA	16,202
50-days MA	16,262
250-days MA	16,476
14-days RSI	48.33
Primary resistance	16,600
Primary support	16,200

HSCEI Technical Indicators

10-days MA	5,438
50-days MA	5,478
250-days MA	5,565
14-days RSI	46.28
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.

Chow Tai Fook (1929)

Target: \$15

Stop loss: \$10.3

During the Third Quarter, the Retail Sales Value grew by 46.1% yoy. Both Mainland China and Hong Kong and Macau were benefitted from festive demand and a favourable comparison base. SSSG in both markets demonstrated a positive trend. The group pointed out that lower-tier cities have seen significant growth, and the primary strategic goal in the short term is still to improve the profitability of single stores

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

IMF believed that China needed to carry out structural reforms as soon as possible to avoid a sharp decline in economic growth. President Kristalina Georgieva said at the World Economic Forum in Davos that the key is to restore private sector's confidence in the economic outlook, which can help to reduce excessive savings. She also suggested that if reforms are not carried out, the worst-case scenario is that 2024 economic growth will be only 4%, which is far from the previous year's expectation of 5% to 5.4%. In November, the IMF still expected that economic growth would slow down by 4.6% this year due to the continued housing problems in China, reflecting the IMF's more bearish outlook on the Chinese economy.

Hong Kong Stock Connect had a net inflow of HK\$4.23bn on Monday. Among them, Tracker Fund (2800) had the largest inflow, reaching HK\$2.47bn; followed by Hang Seng China Enterprises (2828). XPEV (9868) recorded the largest net outflow of HK\$360mn; followed by Tencent (0700).

Daily Focus

Chow Tai Fook (1929): SSSG in both markets demonstrated a positive trend

- During the Third Quarter, the Retail Sales Value grew by 46.1% yoy. Both Mainland China and Hong Kong and Macau were benefitted from festive demand and a favourable comparison base. SSSG in both markets demonstrated a positive trend. In the Mainland, SSS recorded positive growth of 22.7% during the Quarter. In Hong Kong and Macau, the continued recovery of inbound tourism and the annual sale promotion were supportive to its business and SSS increased by 66.6%. SSSG grew by 58.8% and 100.7% for Hong Kong and Macau respectively.
- Meanwhile, the store opening momentum in Mainland China stayed steady and positive during the period. For the first nine months of FY2024, the Group added a net of 232 POS in Mainland China and 9 POS in Hong Kong, Macau and other markets for CHOW TAI FOOK JEWELLERY. On products, gold jewellery and products demonstrated strength and outperformed other product categories in 3Q24.
- The group pointed out that lower-tier cities have seen significant growth, and the primary strategic goal in the short term is still to improve the profitability of single stores. In addition, the company continues to launch new series of products and IP co-branded products, and shifts consumer demand to per-piece pricing categories, thereby increasing the overall gross profit margin.

Chow Tai Fook (1929): Info

Closed price	11.28
FY24 P/E (X)	14.05
FY24 Dividend yield (%)	5.25
52 week high	16.738
52 week low	9.91
14 RSI	53.5

Analyst: Cynthia Tam

Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
Balance (RMB bn)	49.30	53.11	78.59
Balance as % of Quota Amount	94.8	102.1	93.6

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	1,873,360,495	4,901,785	1,878,262,280
TENCENT	700	315,701,660	450,460,100	766,161,760
XPENG-W	9868	154,102,675	377,339,808	531,442,483
MEITUAN-W	3690	216,877,050	261,045,429	477,922,479
CNOOC	883	143,401,760	195,668,340	339,070,100
CHINA MOBILE	941	179,817,575	123,131,575	302,949,150
CCB	939	139,853,010	145,962,790	285,815,800
WUXI BIO	2269	174,659,550	105,871,725	280,531,275
XIAOMI-W	1810	78,679,616	139,939,648	218,619,264
LI AUTO-W	2015	93,076,630	122,347,430	215,424,060

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	605,515,880	2,433,820	607,949,700
MEITUAN-W	3690	321,420,080	260,001,418	581,421,498
TENCENT	700	230,402,440	248,739,980	479,142,420
HSCEI ETF	2828	438,011,660	20,074,748	458,086,408
XPENG-W	9868	127,531,200	267,940,725	395,471,925
CNOOC	883	281,909,860	50,107,960	332,017,820
LI AUTO-W	2015	163,946,060	130,616,160	294,562,220
CSOP HS TECH	3033	256,146,209	18,276,159	274,422,368
KUAISHOU-W	1024	53,011,960	199,450,370	252,462,330
WUXI BIO	2269	164,289,275	61,494,471	225,783,746

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	2.89B	3.49B	82.89%
TENCENT	00700.HK	463.34M	2.49B	18.63%
BYD COMPANY	01211.HK	261.10M	525.23M	49.71%
XL2CSOPHSTECH	07226.HK	258.99M	466.88M	55.47%
MEITUAN-W	03690.HK	242.02M	1.41B	17.15%
BIDU-SW	09888.HK	208.37M	1.36B	15.29%
CSOP HS TECH	03033.HK	198.73M	489.97M	40.56%
LI AUTO-W	02015.HK	161.02M	504.27M	31.93%
AIA	01299.HK	120.20M	552.07M	21.77%
FI2 CSOP HSI	07500.HK	117.31M	180.73M	64.91%

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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