



## Major Market Indicators

	16 Jan	15 Jan	12 Jan
Mkt. Turn.(mn)	84,400	71,100	69,500
Stock Advances	427	709	695
Stock Declines	1,166	841	840
HSI	15,866	16,216	16,245
Change	-350	-28	-57

## HSI Technical Indicators

10-days MA	15,884
50-days MA	16,108
250-days MA	16,384
14-days RSI	29.86
Primary resistance	16,200
Primary support	15,800

## HSCEI Technical Indicators

10-days MA	5,349
50-days MA	5,419
250-days MA	5,532
14-days RSI	32.50
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

The U.S. 10-year Treasury yield climbed more than 11 basis points to above 4% after Federal Reserve Governor Christopher Waller said in a speech that the central bank may ease monetary policy more slowly than Wall Street expected. As long as the labor market and economic activity are solid, Waller said, "I see no reason to move as quickly or cut as rapidly" as in previous rate-cutting cycles. "When the time is right to begin lowering rates, I believe it can and should be lowered methodically and carefully."

Hong Kong Stock Connect had a net inflow of HK\$2.94bn on Tuesday, of which China Mobile (941) had the largest net inflow, reaching HK\$0.46bn; followed by Wuxi Bio (2269). Hkex (388) recorded the largest net outflow at HK\$0.17bn, followed by Li Auto (2015).

## Daily Focus

### Air China (753): RPK increased by 243.7% yoy in December

- Air China's ASK in FY23 increased by 156.6% yoy; with domestic routes and international routes increased by 121.2% and 916.7% respectively. RPK increased by 195.8% yoy, with domestic routes and international routes increasing by 155% and 1,455.5% respectively. During the year, AFTK increased by 13.4% yoy; RFTK fell by 13.9% yoy, with international routes fell by 35.3%. Cargo load factor was 31.3%, down 9.9 ppt year-on-year.
- In fact, since the third quarter, the domestic aviation industry has been on the road to recovery. Air China increased its deployment in transportation capacity at that time, and at the same time, driven by both increase in passenger load factor and price level, it significantly reduced losses and increased profits. According to the "2024 Spring Festival Travel Market Forecast Report", orders for domestic, outbound and inbound tours during the Spring Festival holiday have all grown exponentially. The year-on-year growth of outbound and inbound tours is more than ten times.
- As the long holiday approaches, the domestic market is expected to continue to recover, while international flight capacity continues to improve, will be catalyst for the mainland airline industry.

Air China (753): Info	
Closed price	4.76
FY24 P/E (X)	7.32
FY24 Dividend yield (%)	1.67
52 week high	7.94
52 week low	4.51
14 RSI	45.49

Analyst: Cynthia Tam

## Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
<b>Balance (RMB bn)</b>	50.29	54.51	79.84
<b>Balance as % of Quota Amount</b>	96.7	104.8	95.1

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
TENCENT	700	649,416,540	515,603,416	1,165,019,956
MEITUAN-W	3690	464,446,850	327,587,318	792,034,168
CNOOC	883	335,730,080	157,564,060	493,294,140
CHINA MOBILE	941	399,742,500	55,923,355	455,665,855
CCB	939	205,648,810	192,893,630	398,542,440
WUXI BIO	2269	259,409,700	48,087,600	307,497,300
XIAOMI-W	1810	130,315,432	118,157,936	248,473,368
SMIC	981	114,485,480	130,845,776	245,331,256
LI AUTO-W	2015	63,174,850	170,588,940	233,763,790
PING AN	2318	207,415,425	22,850,800	230,266,225

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	394,147,740	531,819,371	925,967,111
MEITUAN-W	3690	250,249,800	286,531,096	536,780,896
CNOOC	883	171,058,320	175,902,290	346,960,610
HKEX	388	40,996,400	217,997,560	258,993,960
CHINA MOBILE	941	154,698,375	34,814,250	189,512,625
XIAOMI-W	1810	98,170,684	83,421,284	181,591,968
LI AUTO-W	2015	64,630,460	104,530,600	169,161,060
PING AN	2318	85,115,100	67,139,575	152,254,675
KUAISHOU-W	1024	27,396,570	116,067,430	143,464,000
SMIC	981	65,133,120	68,180,670	133,313,790

Sources: HKEx

## Other Statistics

### Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover(Billion)
TENCENT	700	-2.42%	282.40	6.296
TRACKER FUND	2800	-2.32%	16.00	4.283
MEITUAN-W	3690	-2.31%	73.90	3.112
BABA-SW	9988	-2.29%	68.40	2.933
HSBC HOLDINGS	5	-3.04%	59.10	1.908
HKEX	388	-4.13%	241.40	1.900
BIDU-SW	9888	0.20%	100.70	1.812
AIA	1299	-3.47%	62.55	1.580
PING AN	2318	-2.60%	31.85	1.314
CCB	939	-1.77%	4.45	1.262

## Ten Short Sell Stocks

Stock Name	Code	Short Sell Amount	Turnover	Short Sell Ratio
TRACKER FUND	02800.HK	2.73B	4.28B	63.80%
CSOP HS TECH	03033.HK	878.16M	1.18B	74.56%
TENCENT	00700.HK	863.34M	6.30B	13.71%
HSBC HOLDINGS	00005.HK	856.76M	1.91B	44.91%
XL2CSOPHSTECH	07226.HK	551.27M	1.01B	54.65%
BYD COMPANY	01211.HK	536.52M	1.06B	50.62%
HKEX	00388.HK	494.26M	1.90B	26.01%
CCB	00939.HK	448.14M	1.26B	35.52%
MEITUAN-W	03690.HK	412.86M	3.11B	13.27%
PING AN	02318.HK	388.45M	1.31B	29.57%

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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