



Major Market Indicators

	17 Jan	16 Jan	15 Jan
Mkt. Turn.(mn)	130,500	84,400	71,100
Stock Advances	254	427	709
Stock Declines	1,510	1,166	841
HSI	15,277	15,866	16,216
Change	-589	-350	-28

HSI Technical Indicators

10-days MA	15,278
50-days MA	15,734
250-days MA	16,251
14-days RSI	26.91
Primary resistance	15,600
Primary support	15,200

HSCEI Technical Indicators

10-days MA	5,133
50-days MA	5,291
250-days MA	5,484
14-days RSI	28.10
Primary resistance	5,400
Primary support	5,000

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

U.S. Treasury yields continued to climb higher, with the yield on the 10-year Treasury note rose further above 4% to hit highest level this year after U.S. retail sales rose 0.6% in the month of December, topping expectations for 0.4%. Signs of a stronger consumption, which makes up about two-thirds of economic growth, suggesting the economy remains in good shape defied expectations for a rate cut as soon as March. So far, traders see a roughly 57% chance that the Fed will begin cutting interest rates in March, lower than earlier expectations.

Hong Kong Stock Connect had a net inflow of HK\$5.93bn on Wednesday, of which Tracker Fund (2800) had the largest net inflow, reaching HK\$1.15bn; followed by CCB (939). X-Peng (9868) recorded the largest net outflow at HK\$0.33bn, followed by SMIC (981).

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	64.9
FY24 P/E (X)	8.83
FY24 Dividend yield (%)	8.01
52 week high	70.2
52 week low	54.7
14 RSI	55.6

Analyst: Cynthia Tam

Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
Balance (RMB bn)	57.48	57.85	76.95
Balance as % of Quota Amount	110.5	111.3	91.6

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
TENCENT	700	1,054,399,380	942,058,419	1,996,457,799
MEITUAN-W	3690	855,378,385	389,164,050	1,244,542,435
CCB	939	639,107,860	20,058,570	659,166,430
XPENG-W	9868	140,939,230	401,392,436	542,331,666
CNOOC	883	244,332,600	217,545,256	461,877,856
CHINA MOBILE	941	313,607,300	131,436,764	445,044,064
XIAOMI-W	1810	221,112,844	219,390,464	440,503,308
PING AN	2318	321,717,975	61,343,325	383,061,300
SMIC	981	146,625,620	175,645,170	322,270,790
CM BANK	3968	287,027,825	28,493,925	315,521,750

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	799,990,740	705,205,130	1,505,195,870
TRACKER FUND	2800	1,153,551,340	3,427,615	1,156,978,955
MEITUAN-W	3690	443,833,860	332,602,586	776,436,446
CNOOC	883	141,504,820	219,628,440	361,133,260
XIAOMI-W	1810	153,219,692	205,435,084	358,654,776
XPENG-W	9868	137,670,105	216,447,955	354,118,060
WUXI BIO	2269	198,323,975	151,719,757	350,043,732
CHINA MOBILE	941	148,866,000	136,504,025	285,370,025
CITIC SEC	6030	222,928,430	5,858,340	228,786,770
SMIC	981	83,721,440	115,712,440	199,433,880

Sources: HKEx

Other Statistics

Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover(Billion)
TENCENT	700	-2.76%	274.60	9.920
TRACKER FUND	2800	-3.75%	15.40	9.096
MEITUAN-W	3690	-6.97%	68.75	4.935
BABA-SW	9988	-4.02%	65.65	4.511
BYD COMPANY	1211	-4.83%	195.30	3.755
CCB	939	-2.47%	4.34	2.758
XIAOMI-W	1810	-4.92%	13.14	2.427
AIA	1299	-4.72%	59.60	2.328
HKEX	388	-3.65%	232.60	2.013
PING AN	2318	-5.50%	30.10	2.013

Ten Short Sell Stocks

Stock Name	Code	Short Sell Amount	Turnover	Short Sell Ratio
TRACKER FUND	02800.HK	4.59B	9.10B	50.44%
BYD COMPANY	01211.HK	1.82B	3.76B	48.56%
TENCENT	00700.HK	1.65B	9.92B	16.65%
CSOP HS TECH	03033.HK	1.23B	1.52B	80.71%
MEITUAN-W	03690.HK	991.47M	4.94B	20.09%
XL2CSOPHSTECH	07226.HK	926.31M	1.46B	63.46%
CCB	00939.HK	855.65M	2.76B	31.03%
BABA-SW	09988.HK	708.63M	4.51B	15.71%
XIAOMI-W	01810.HK	582.88M	2.43B	24.02%
HSBC HOLDINGS	00005.HK	504.98M	1.30B	38.90%

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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