



## Major Market Indicators

|                | 19 Jan | 18 Jan  | 17 Jan  |
|----------------|--------|---------|---------|
| Mkt. Turn.(mn) | 96,900 | 107,400 | 130,500 |
| Stock Advances | 551    | 938     | 254     |
| Stock Declines | 1,029  | 619     | 1,510   |
| HSI            | 15,309 | 15,392  | 15,277  |
| Change         | -83    | +115    | -589    |

## HSI Technical Indicators

|                    |        |
|--------------------|--------|
| 10-days MA         | 15,279 |
| 50-days MA         | 15,337 |
| 250-days MA        | 16,027 |
| 14-days RSI        | 45.85  |
| Primary resistance | 15,600 |
| Primary support    | 15,200 |

## HSCEI Technical Indicators

|                    |       |
|--------------------|-------|
| 10-days MA         | 5,114 |
| 50-days MA         | 5,144 |
| 250-days MA        | 5,399 |
| 14-days RSI        | 45.97 |
| 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

Last week, some Fed officials continued to be hawkish. Among them, San Francisco Fed President Mary Daly pointed out that more data is needed to prove that the inflation rate has returned to the 2% target. At present, it is still too early to cut interest rates. Moreover, the market also took into account that the current consumer confidence index continues to be high, and the market began to bet on delaying the interest rate cut to May, with a probability of 50.9%. The previous market expectation of an interest rate cut in March has dropped to 46.2%.

Hong Kong Stock Connect saw a net inflow of HK\$1.03 billion on Friday, with China Mobile (0941) having the largest net inflow of HK\$226 million, followed by Meituan (3690). Tracker Fund (2800) had the largest net outflow, reaching HK\$510 million, followed by China Shenhua (1088).

## Daily Focus

### Baidu (9888): Investors can consider taking advantage of the correction, with a stop-loss price after entry

- We believe that even if Baidu is eventually sanctioned by the United States, the actual impact may not be as bad as previous Huawei's predicament. The main reason is that the GPUs allowed to be exported to the mainland are already "modified versions", i.e., the performance of Baidu's GPUs used to train AI is believed to have been compromised.
- In addition, Baidu's business is mainly concentrated in the local market. Therefore, Baidu's revenue will not be significantly reduced, even if the United States imposes sanctions.
- The previous share prices plunge reflected poor market sentiment and panic selling. The stock price has fallen below the prior bottom in November. Investors can consider taking advantage of the correction, and we suggest setting a stop-loss price after entry.

| Baidu (9888): Info      |       |
|-------------------------|-------|
| Closed price            | 99.2  |
| FY24 P/E (X)            | 9.8   |
| FY24 Dividend yield (%) | 0.0   |
| 52 week high            | 166.3 |
| 52 week low             | 95.25 |
| 14 RSI                  | 31.63 |

Analyst: Cynthia Tam

## Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

|                                     | SH Connect | SZ Connect | Combined Southbound |
|-------------------------------------|------------|------------|---------------------|
| <b>Balance (RMB bn)</b>             | 51.41      | 56.29      | 81.63               |
| <b>Balance as % of Quota Amount</b> | 98.9       | 108.3      | 97.2                |

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

| Stock Name    | Stock code | Buy Trades (HKD) | Sell Trades (HKD) | Turnover (HKD) |
|---------------|------------|------------------|-------------------|----------------|
| TENCENT       | 700        | 696,473,540      | 743,618,106       | 1,440,091,646  |
| MEITUAN-W     | 3690       | 242,758,015      | 175,247,385       | 418,005,400    |
| SMIC          | 981        | 185,157,800      | 161,693,068       | 346,850,868    |
| CHINA SHENHUA | 1088       | 81,777,325       | 260,519,722       | 342,297,047    |
| CNOOC         | 883        | 187,731,140      | 99,888,500        | 287,619,640    |
| CHINA MOBILE  | 941        | 177,778,825      | 87,083,100        | 264,861,925    |
| WUXI BIO      | 2269       | 79,915,775       | 178,388,887       | 258,304,662    |
| INNOVENT BIO  | 1801       | 104,868,025      | 144,826,250       | 249,694,275    |
| LI NING       | 2331       | 31,061,900       | 217,484,590       | 248,546,490    |
| AKESO         | 9926       | 124,690,650      | 94,930,958        | 219,621,608    |

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        | 653,510,160      | 470,962,660       | 1,124,472,820  |
| TRACKER FUND  | 2800       | 59,745,445       | 573,897,670       | 633,643,115    |
| CNOOC         | 883        | 124,653,680      | 181,763,680       | 306,417,360    |
| CHINA SHENHUA | 1088       | 96,138,625       | 184,938,600       | 281,077,225    |
| MEITUAN-W     | 3690       | 185,030,515      | 68,096,994        | 253,127,509    |
| CHINA MOBILE  | 941        | 188,205,825      | 52,598,959        | 240,804,784    |
| INNOVENT BIO  | 1801       | 110,560,275      | 127,313,350       | 237,873,625    |
| WUXI BIO      | 2269       | 48,875,000       | 167,181,650       | 216,056,650    |
| LI AUTO-W     | 2015       | 92,476,350       | 108,369,020       | 200,845,370    |
| XPENG-W       | 9868       | 57,476,910       | 141,520,420       | 198,997,330    |

Sources: HKEx

## Other Statistics

### Ten Most Actively Traded Stocks

| Stock Name   | Code | Change | Closed Price | Turnover(Billion) |
|--------------|------|--------|--------------|-------------------|
| TRACKER FUND | 2800 | -0.58% | 15.44        | 8.238             |
| TENCENT      | 700  | -2.31% | 271.20       | 7.358             |
| HSCEI ETF    | 2828 | -0.88% | 51.86        | 3.788             |
| BABA-SW      | 9988 | -1.65% | 65.55        | 3.574             |
| MEITUAN-W    | 3690 | -1.65% | 68.65        | 2.811             |
| AIA          | 1299 | 2.03%  | 60.45        | 2.533             |
| CSOP HS TECH | 3033 | -1.35% | 3.07         | 1.616             |
| BYD COMPANY  | 1211 | -0.41% | 195.60       | 1.477             |
| CCB          | 939  | 0.46%  | 4.39         | 1.347             |
| WUXI BIO     | 2269 | -2.58% | 28.35        | 1.143             |

## Ten Short Sell Stocks

| Stock Name    | Code     | Short Sell Amount | Turnover | Short Sell Ratio |
|---------------|----------|-------------------|----------|------------------|
| TRACKER FUND  | 02800.HK | 1.45B             | 8.24B    | 17.64%           |
| TENCENT       | 00700.HK | 1.41B             | 7.36B    | 19.22%           |
| CSOP HS TECH  | 03033.HK | 1.06B             | 1.62B    | 65.64%           |
| MEITUAN-W     | 03690.HK | 643.97M           | 2.81B    | 22.91%           |
| AIA           | 01299.HK | 623.65M           | 2.53B    | 24.63%           |
| BYD COMPANY   | 01211.HK | 546.74M           | 1.48B    | 37.03%           |
| BABA-SW       | 09988.HK | 523.08M           | 3.57B    | 14.63%           |
| CCB           | 00939.HK | 517.02M           | 1.35B    | 38.38%           |
| HSCEI ETF     | 02828.HK | 461.85M           | 3.79B    | 12.19%           |
| HSBC HOLDINGS | 00005.HK | 381.38M           | 802.28M  | 47.54%           |

Source: AA Stocks

## Economic Calendars

| Date | Country   | Event  | Survey | Prior  |
|------|-----------|--|--------|--------|
| Mon  | China     | 5-Year Loan Prime Rate   | 4.20%  | 4.20%  |
|      | Euro Zone | 1-Year Loan Prime Rate   | 3.45%  | 3.45%  |
| Tue  | US        | 3M (MMM), Johnson & Johnson (JNJ), Netflix (NFLX) Results              |        |        |
|      | Japan     | BOJ Monetary Policy Meeting  |        |        |
| Wed  | US        | Jan. S&P Global Manufacturing PMI                                      | 48.0   | 47.9   |
|      |           | Jan. S&P Global Services PMI   | 51.0   | 51.4   |
|      |           | Abbott Laboratories (ABT), ASML (ASML), AT&T (T), Tesla (TSLA) Results |        |        |
|      | Euro Zone | Jan. HCOB Manufacturing PMI  |        | 44.4   |
|      |           | Jan. HCOB Services PMI   |        | 48.8   |
|      | Hong Kong | New Oriental Education & Technology (9901) Result                      |        |        |
| Thu  | US        | Initial Jobless Claims (Till Jan 20)                                   |        | 187k   |
|      |           | Continuing Jobless Claims (Till Jan 13)                                |        | 1,806k |
|      |           | 4Q. GDP Annualized (QoQ)   | 1.9%   | 4.9%   |
|      |           | Dec. Retail Inventories (MoM)  |        | -0.1%  |
|      |           | Dec. Durable Goods Orders (Ex Transportation)                          | 0.2%   | 0.4%   |
|      |           | Dec. New Home Sales  | 650k   | 590k   |
|      |           | Blackstone (BX), Comcast (CMCSA), Intel (INTC), Visa (V) Results       |        |        |
|      | Euro Zone | ECB Monetary Policy Meeting  |        |        |
| Fri  | US        | Dec. Personal Income   | 0.3%   | 0.4%   |
|      |           | Dec. Personal Spending   | 0.4%   | 0.2%   |
|      |           | Dec. PCE Deflator (MoM)  | 0.2%   | -0.1%  |

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