

### Major Market Indicators

	21 Feb	20 Feb	19 Feb
Mkt. Turn.(mn)	122,400	77,000	82,100
Stock Advances	1,181	885	651
Stock Declines	566	719	973
HSI	16,503	16,248	16,156
Change	+256	+92	-184

### HSI Technical Indicators

10-days MA	16,572
50-days MA	16,351
250-days MA	15,996
14-days RSI	49.42
Primary resistance	16,800
Primary support	16,400

### HSCEI Technical Indicators

10-days MA	5,669
50-days MA	5,566
250-days MA	5,415
14-days RSI	52.16
Primary resistance	5,800
Primary support	5,400

## Stock Pick

### China Resources Power (836)

**Target: \$19**

**Stop loss: \$15**

Most areas in the mainland are experiencing a sharp drop in temperature and rain and snow. In addition, from the 20th to the 22nd, there was freezing rain in some areas of Henan, Hubei, Hunan, Guizhou and other places. As cold weather hits, power stocks fare well. In 2023, the power usage in China reached 9.22 trillion kilowatt-hours last year, up 6.7 pct yoy. As factories need to resume operations after the holidays, and the central government intends to take measures to rescue the economy, the nationwide electricity consumption may gradually resume.

### China Telecom (728)

**Target: \$5**

**Stop loss: \$3.6**

The State Council previously announced that it will further study the inclusion of market value management in the performance assessment of the persons in charge of central SOEs. China Telecom, as well as other SOEs, responded in affirmation. By incorporating market value management into the KPI of state-owned enterprise management, it may promote Chinese telecommunications stocks to continue to increase their dividend payout ratios in the future. We see this as a catalyst for China Telecom.

### China Mobile (941):

**Target: \$74**

**Stop loss: \$61**

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.

## Market Overview

Minutes of the Federal Reserve's January meeting released on Wednesday showed that Fed policymakers did not express an urgent need to turn to interest rate cuts as concerns about "upside risks" to inflation began to emerge. Officials noted that rate hikes may be over, while saying they wanted to see more before starting to ease policy. Members cited the "risk of moving too quickly" on cutting interest rates.

## Daily Focus

### Bosideng (3998): Continued expansion of product categories and improved operating efficiencies are catalysts

- The Group's 1H23/24 revenue amounted to approx. RMB7,471.7mn, representing an increase of 20.9% yoy. The branded down apparel business remained the biggest revenue contributor of the Group, and recorded revenue of RMB4,939.7mn, accounting for 66.1% of total revenue, representing a yoy increase of 28.1%. The OEM management business recorded revenue of RMB2,042.9mn, accounting for 27.3% of total revenue, representing a yoy increase of 7.8%.
- The gross profit of the Group increased by 20.9% to RMB3,733.5mn in the first half of FY2023/24. GPM of the branded down apparel business decreased by 2.4ppts to 61.2%. Although the GPM of the branded down apparel business segment has declined, it is the largest business unit of the group and its GPM is higher than that of the OEM processing management business and diversified apparels business, the Group's overall GPM is the same as that of the same period last year, approx. 50.0%.
- In the first half of FY2023/24, the Group's operating profit increased steadily by 30.2% to approx. RMB1,231mn. The operating profit margin increased from 15.3% to 16.5%. The increase in OPM was mainly due to the fact that the Group achieved steady growth in revenue, and also has effective cost control.
- Profit attributable to equity shareholders of the Company increased by 25.1% to RMB918.6mn.
- As a renowned operator in the PRC with down apparel brands, the Group has brands include Bosideng, Snow Flying, Bengen, etc. Continued expansion of product categories and improved operating efficiencies are catalysts for the stock.

Bosideng (3998): Info	
Closed price	3.88
FY24 P/E (X)	14.44
FY24 Dividend yield (%)	5.50
52 week high	4.69
52 week low	2.83
14 RSI	66.47

Analyst: Cynthia Tam

## Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
<b>Balance (RMB bn)</b>	41.50	47.24	80.71
<b>Balance as % of Quota Amount</b>	79.8	90.9	96.1

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
TENCENT	700	991,232,100	891,417,640	1,882,649,740
MEITUAN-W	3690	811,335,080	682,453,239	1,493,788,319
CNOOC	883	662,873,640	375,290,535	1,038,164,175
CCB	939	494,257,560	349,693,950	843,951,510
PING AN	2318	291,071,500	406,745,675	697,817,175
TRACKER FUND	2800	8,895,635	684,591,320	693,486,955
CHINA MOBILE	941	354,127,875	277,874,567	632,002,442
HSBC HOLDINGS	5	46,386,080	544,008,180	590,394,260
SMIC	981	234,393,510	259,287,800	493,681,310
ICBC	1398	219,538,530	266,587,720	486,126,250

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	509,280,200	473,599,486	982,879,686
MEITUAN-W	3690	526,251,510	332,234,747	858,486,257
CNOOC	883	272,888,480	532,634,774	805,523,254
SMIC	981	200,686,090	306,449,950	507,136,040
CSOP HS TECH	3033	39,625,439	445,408,761	485,034,200
CHINA MOBILE	941	337,614,325	123,099,947	460,714,272
LI AUTO-W	2015	259,759,440	144,175,880	403,935,320
PING AN	2318	135,840,400	140,183,727	276,024,127
XIAOMI-W	1810	94,200,672	158,080,943	252,281,615
KUAISHOU-W	1024	201,479,060	44,771,115	246,250,175

Sources: HKEx

## Other Statistics

### Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover(Billion)
TENCENT	700	1.62%	288.80	69.33
TRACKER FUND	2800	1.65%	16.65	60.73
MEITUAN-W	3690	4.91%	77.00	48.11
HSBC HOLDINGS	5	-3.83%	60.25	43.59
BABA-SW	9988	1.04%	72.90	37.97
PING AN	2318	6.37%	35.90	33.35
CCB	939	1.46%	4.87	32.14
CSOP HS TECH	3033	2.76%	3.28	23.59
ICBC	1398	2.26%	4.07	19.33
CNOOC	883	-1.28%	15.38	19.13

## Ten Short Sell Stocks

Stock Name	Code	Short Sell Amount	Turnover	Short Sell Ratio
HSBC HOLDINGS	00005.HK	1.06B	4.36B	24.35%
MEITUAN-W	03690.HK	686.83M	4.81B	14.28%
TENCENT	00700.HK	672.11M	6.93B	9.70%
CCB	00939.HK	588.37M	3.21B	18.31%
XI2CSOPHSTECH	07552.HK	574.55M	1.16B	49.65%
PING AN	02318.HK	516.85M	3.34B	15.50%
LI AUTO-W	02015.HK	489.76M	1.43B	34.27%
BYD COMPANY	01211.HK	439.38M	1.53B	28.64%
ICBC	01398.HK	438.42M	1.93B	22.68%
CM BANK	03968.HK	387.78M	1.78B	21.83%

Source: AA Stocks

## Economic Calendars

Date	Country	Event	Survey	Prior
Mon	US	Market will close (Presidents' Day)		
Tue	US	Jan. Leading Index	-0.3%	-0.1%
		Home Depot (HD), Walmart (WMT) Results		
	China	5-Year Loan Prime Rate	4.15%	4.20%
		1-Year Loan Prime Rate	3.43%	3.45%
Wed	US	NVIDIA (NVDA) Result		
	Hong Kong	HSBC (5), Hang Seng (11), Trip.com (9961) Results		
Thu	US	Initial Jobless Claims (Till Feb 17)		212k
		Continuing Jobless Claims (Till Feb 10)		1,895k
		FOMC Meeting Minutes (Jan 31) (Announce in early morning on Feb 23 in HKT)		
		Feb. S&P Global Manufacturing PMI	50.1	50.7
		Feb. S&P Global Services PMI	52.0	52.5
		Jan. Existing Home Sales	3.97m	3.78m
	Euro Zone	Feb. HCOB Manufacturing PMI	47.0	46.6
		Feb. HCOB Services PMI	48.7	48.4
		Jan. CPI (YoY)	2.8%	2.9%
		Jan. CPI (MoM)	-0.4%	-0.4%
	Hong Kong	Sino Land (83), Lenovo (992), HKT Trust & HKT (6823) Results		
Fri	Hong Kong	Standard Chartered (2888) Result		

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