

## Major Market Indicators

|                | 22 Feb  | 21 Feb  | 20 Feb |
|----------------|---------|---------|--------|
| Mkt. Turn.(mn) | 100,100 | 122,400 | 77,000 |
| Stock Advances | 1,057   | 1,181   | 885    |
| Stock Declines | 606     | 566     | 719    |
| HSI            | 16,743  | 16,503  | 16,248 |
| Change         | +240    | +256    | +92    |

## HSI Technical Indicators

|                    |        |
|--------------------|--------|
| 10-days MA         | 16,660 |
| 50-days MA         | 16,544 |
| 250-days MA        | 16,081 |
| 14-days RSI        | 69.61  |
| Primary resistance | 16,800 |
| Primary support    | 16,400 |

## HSCEI Technical Indicators

|                    |       |
|--------------------|-------|
| 10-days MA         | 5,728 |
| 50-days MA         | 5,661 |
| 250-days MA        | 5,454 |
| 14-days RSI        | 71.89 |
| Primary resistance | 5,800 |
| Primary support    | 5,400 |

## Stock Pick

### Trip.com (9961)

**Target: \$390**

**Stop loss: \$275**

Trip.com's fourth-quarter adjusted EBITDA was RMB2.85bn, better than the expected RMB2.02bn. Domestic and international businesses continued to show robust recovery. Domestic hotel reservations grew by over 130% yoy. Outbound hotel and air reservations both recovered to over 80% of the pre-COVID level for the same period in 2019, compared to a 60% industry recovery in terms of international air passenger volume for the same period. The company has a leading position in the mid-to-high-end and outbound travel market segments, therefore can benefit from the recovery trend of China's outbound travel.

### 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

U.S. Treasury yields moved sharply higher after fresh signs of strength in the job market. Initial Jobless Claims for Feb/17 in United States is 201K, lower than the previous value of 213K. The forecast was 218K. Federal Reserve Vice Chairman Philip Jefferson said on Thursday he was "cautiously optimistic" about the central bank's ability to keep inflation at its 2% target. "If the economy evolves broadly as expected, it will likely be appropriate to begin dialing back our policy restraint later this year," he added.

Hong Kong Stock Connect had a net inflow of HK4.77bn on Thursday, of which CNOOC (883) had the largest net inflow, reaching HK\$0.77bn; followed by Meituan (3690). Trad Chi Med (570) recorded the largest net outflow at HK\$0.75bn, followed by SMIC (981).

## Daily Focus

### Trip.com (9961): Earning beats market expectation

- Trip.com's fourth-quarter net revenue was RMB10.3bn, grew by 105% yoy, which was consistent with market expectations. The adjusted EBITDA was RMB2.85bn, better than the expected RMB2.02bn.
- In terms of segment revenue, accommodation reservation revenue in the fourth quarter was RMB3.9bn, a yoy increase of 131%, consistent with market expectations; transportation ticketing revenue was RMB4.1bn, grew 86% yoy, similar to market expectations. Packaged-tour revenue was RMB704mn, a yoy increase of 329%, better than expected. Corporate travel revenue was RMB634mn, a yoy increase of 129%, better than expected.
- Domestic and international businesses continued to show robust recovery. Domestic hotel reservations grew by over 130% yoy. Outbound hotel and air reservations both recovered to over 80% of the pre-COVID level for the same period in 2019, compared to a 60% industry recovery in terms of international air passenger volume for the same period. Total bookings on the Company's global OTA platform have increased by over 70% yoy.
- The company has a leading position in the mid-to-high-end and outbound travel market segments, therefore can benefit from the recovery trend of China's outbound travel.

| Trip.com (9961): Info   |       |
|-------------------------|-------|
| Closed price            | 355.6 |
| FY24 P/E (X)            | 18.58 |
| FY24 Dividend yield (%) | 0.00  |
| 52 week high            | 357.8 |
| 52 week low             | 240.6 |
| 14 RSI                  | 80.15 |

Analyst: Cynthia Tam

## Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

|                                     | SH Connect | SZ Connect | Combined Southbound |
|-------------------------------------|------------|------------|---------------------|
| <b>Balance (RMB bn)</b>             | 48.43      | 49.93      | 77.01               |
| <b>Balance as % of Quota Amount</b> | 93.1       | 96.0       | 91.7                |

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

| Stock Name      | Stock code | Buy Trades (HKD) | Sell Trades (HKD) | Turnover (HKD) |
|-----------------|------------|------------------|-------------------|----------------|
| CNOOC           | 883        | 1,291,365,080    | 790,666,557       | 2,082,031,637  |
| TRAD CHI MED    | 570        | 399,518,420      | 810,316,008       | 1,209,834,428  |
| MEITUAN-W       | 3690       | 475,014,895      | 255,871,730       | 730,886,625    |
| CHINA MOBILE    | 941        | 300,541,225      | 392,926,000       | 693,467,225    |
| TENCENT         | 700        | 367,882,240      | 296,785,470       | 664,667,710    |
| CCB             | 939        | 246,829,900      | 248,711,620       | 495,541,520    |
| YANKUANG ENERGY | 1171       | 197,002,560      | 172,934,480       | 369,937,040    |
| SMIC            | 981        | 168,329,850      | 159,399,280       | 327,729,130    |
| ICBC            | 1398       | 139,101,890      | 161,069,280       | 300,171,170    |
| PING AN         | 2318       | 152,740,450      | 104,513,650       | 257,254,100    |

Sources: HKEx

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

| Stock Name      | Stock code | Buy Trades (HKD) | Sell Trades (HKD) | Turnover (HKD) |
|-----------------|------------|------------------|-------------------|----------------|
| CNOOC           | 883        | 607,571,400      | 335,356,736       | 942,928,136    |
| TRAD CHI MED    | 570        | 225,520,160      | 567,696,177       | 793,216,337    |
| MEITUAN-W       | 3690       | 460,898,070      | 120,191,037       | 581,089,107    |
| TENCENT         | 700        | 289,317,980      | 165,407,762       | 454,725,742    |
| CHINA MOBILE    | 941        | 337,166,325      | 97,599,825        | 434,766,150    |
| LI AUTO-W       | 2015       | 327,451,340      | 56,776,520        | 384,227,860    |
| YANKUANG ENERGY | 1171       | 222,136,360      | 103,121,140       | 325,257,500    |
| SMIC            | 981        | 111,329,770      | 198,271,200       | 309,600,970    |
| CHINA TELECOM   | 728        | 221,025,600      | 72,507,380        | 293,532,980    |
| PETROCHINA      | 857        | 237,058,540      | 24,598,620        | 261,657,160    |

Sources: HKEx

## Other Statistics

### Ten Most Actively Traded Stocks

| Stock Name    | Code | Change | Closed Price | Turnover(Billion) |
|---------------|------|--------|--------------|-------------------|
| TRACKER FUND  | 2800 | 1.62%  | 16.92        | 73.04             |
| TENCENT       | 700  | 0.90%  | 291.40       | 36.03             |
| MEITUAN-W     | 3690 | 3.57%  | 79.75        | 32.81             |
| BABA-SW       | 9988 | 2.68%  | 74.85        | 31.77             |
| HSBC HOLDINGS | 5    | -1.08% | 59.60        | 29.31             |
| CNOOC         | 883  | 5.85%  | 16.28        | 29.15             |
| TRAD CHI MED  | 570  | 24.20% | 4.26         | 28.22             |
| CCB           | 939  | 1.85%  | 4.96         | 20.89             |
| TRIP.COM-S    | 9961 | 7.30%  | 355.60       | 17.02             |
| PETROCHINA    | 857  | 5.72%  | 6.28         | 15.65             |

## Ten Short Sell Stocks

| Stock Name    | Code     | Short Sell Amount | Turnover | Short Sell Ratio |
|---------------|----------|-------------------|----------|------------------|
| TRACKER FUND  | 02800.HK | 1.89B             | 7.30B    | 25.91%           |
| HSBC HOLDINGS | 00005.HK | 1.17B             | 2.93B    | 39.88%           |
| MEITUAN-W     | 03690.HK | 560.24M           | 3.28B    | 17.07%           |
| CSOP HS TECH  | 03033.HK | 539.05M           | 1.43B    | 37.80%           |
| LI AUTO-W     | 02015.HK | 500.75M           | 1.30B    | 38.38%           |
| TRIP.COM-S    | 09961.HK | 500.30M           | 1.70B    | 29.39%           |
| TENCENT       | 00700.HK | 483.07M           | 3.60B    | 13.41%           |
| CCB           | 00939.HK | 457.42M           | 2.09B    | 21.90%           |
| BABA-SW       | 09988.HK | 405.98M           | 3.18B    | 12.78%           |
| AIA           | 01299.HK | 325.77M           | 1.54B    | 21.21%           |

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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