

## Major Market Indicators

	23 Feb	22 Feb	21 Feb
Mkt. Turn.(mn)	96,100	100,100	122,400
Stock Advances	876	1,057	1,181
Stock Declines	755	606	566
HSI	16,726	16,743	16,503
Change	-17	+240	+256

## HSI Technical Indicators

10-days MA	16,736
50-days MA	16,647
250-days MA	16,186
14-days RSI	53.71
Primary resistance	16,800
Primary support	16,400

## HSCEI Technical Indicators

10-days MA	5,768
50-days MA	5,722
250-days MA	5,501
14-days RSI	55.53
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

For the market expectations, JPMorgan Chase raised its forecast for U.S. Treasury bond interest rates, raising the 2-year bond interest rate from 3.25% to 3.8% and the 10-year bond interest rate from 3.65% to 3.8% to reflect a longer than expected quantitative tightening cycle. Current Fedwatch data reflects that there is only a 52% chance of a rate cut and a 33% chance of keeping interest rates unchanged in June.

Hong Kong Stock Connect saw a net inflow of HK\$6.45 billion on Friday, of which Tracker Fund (2800) had the largest inflow, reaching HK\$2.06 billion; followed by China National Offshore Oil Corporation (883). Industrial and Commercial Bank of China (1398) recorded the largest net outflow of HK\$166 million; followed by Lenovo (992).

## Daily Focus

### Chow Tai Fook (1929): SSSG in both markets demonstrated a positive trend

- 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. In the Mainland, SSS recorded positive growth of 22.7% during the Quarter. In Hong Kong and Macau, the continued recovery of inbound tourism and the annual sale promotion were supportive to its business and SSS increased by 66.6%. SSSG grew by 58.8% and 100.7% for Hong Kong and Macau respectively.
- Meanwhile, the store opening momentum in Mainland China stayed steady and positive during the period. For the first nine months of FY2024, the Group added a net of 232 POS in Mainland China and 9 POS in Hong Kong, Macau and other markets for CHOW TAI FOOK JEWELLERY. On products, gold jewellery and products demonstrated strength and outperformed other product categories in 3Q24.
- 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. In addition, the company continues to launch new series of products and IP co-branded products, and shifts consumer demand to per-piece pricing categories, thereby increasing the overall gross profit margin.

Chow Tai Fook (1929): Info	
Closed price	12.02
FY24 P/E (X)	14.66
FY24 Dividend yield (%)	4.93
52 week high	15.792
52 week low	9.91
14 RSI	60.47

Analyst: Cynthia Tam

## Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
<b>Balance (RMB bn)</b>	47.76	53.69	75.84
<b>Balance as % of Quota Amount</b>	91.9	103.3	90.3

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
CNOOC	883	2,008,713,100	737,119,235	2,745,832,335
TENCENT	700	387,087,400	556,382,336	943,469,736
TRACKER FUND	2800	914,349,785	11,781,270	926,131,055
MEITUAN-W	3690	410,986,565	254,974,282	665,960,847
CHINA MOBILE	941	285,247,100	316,885,800	602,132,900
CCB	939	215,183,900	237,659,720	452,843,620
SMIC	981	283,740,880	147,095,434	430,836,314
ICBC	1398	131,280,970	297,065,230	428,346,200
BANK OF CHINA	3988	122,536,520	152,726,040	275,262,560
CHINA TELECOM	728	210,737,740	39,232,320	249,970,060

Sources: HKEx

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
TRACKER FUND	2800	1,215,405,890	53,166,785	1,268,572,675
CNOOC	883	254,906,080	706,798,099	961,704,179
CSOP HS TECH	3033	662,491,382	5,929,873	668,421,255
TENCENT	700	312,298,160	180,561,348	492,859,508
MEITUAN-W	3690	286,216,570	198,754,158	484,970,728
SMIC	981	143,995,540	295,432,910	439,428,450
CHINA MOBILE	941	245,266,575	139,766,825	385,033,400
CCB	939	169,359,150	68,684,028	238,043,178
LENOVO GROUP	992	71,373,160	161,210,630	232,583,790
LI AUTO-W	2015	163,235,130	58,513,358	221,748,488

Sources: HKEx

## Other Statistics

### Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover(Billion)
TRACKER FUND	2800	-0.24%	16.88	64.01
MEITUAN-W	3690	2.19%	81.50	40.47
TENCENT	700	-0.21%	290.80	38.42
CNOOC	883	0.49%	16.36	32.05
CSOP HS TECH	3033	0.00%	3.34	26.42
PING AN	2318	1.63%	37.40	22.54
CCB	939	0.40%	4.98	22.51
HSBC HOLDINGS	5	-0.59%	59.25	20.63
BABA-SW	9988	-0.40%	74.55	20.53
LENOVO GROUP	992	-3.28%	8.55	16.27

## Ten Short Sell Stocks

Stock Name	Code	Short Sell Amount	Turnover	Short Sell Ratio
TRACKER FUND	02800.HK	2.77B	6.40B	43.23%
CSOP HS TECH	03033.HK	1.08B	2.64B	41.03%
HSBC HOLDINGS	00005.HK	1.01B	2.06B	49.02%
MEITUAN-W	03690.HK	815.03M	4.05B	20.14%
TENCENT	00700.HK	757.77M	3.84B	19.72%
TRIP.COM-S	09961.HK	668.46M	1.47B	45.34%
CCB	00939.HK	440.72M	2.25B	19.58%
BABA-SW	09988.HK	330.18M	2.05B	16.09%
XI2CSOPHSTECH	07552.HK	326.51M	700.08M	46.64%
PING AN	02318.HK	319.01M	2.25B	14.15%

Source: AA Stocks

## Economic Calendars

Date	Country	Event	Survey	Prior
Mon	US	Jan. New Home Sales	684k	664k
	Hong Kong	CLP (2), Li Auto (2015) Results		
Tue	US	Jan. Durable Goods Order (Ex Transportation)	0.3%	0.5%
		Feb. Conference Board Consumer Confidence	114.8	114.8
		eBay (EBAY) Result		
Wed	US	4Q. GDP (QoQ)	3.3%	3.3%
		Jan. Retail Inventories (MoM)		0.8%
	Hong Kong	2024-25 Budget		
Thu	US	Sun Hung Kai (16), Galaxy Ent (27), Budweiser Brewing (1876), Baidu (9888) Results		
		Initial Jobless Claims (Till Feb 24)		
		Continuing Jobless Claims (Till Feb 17)		
		Jan. Personal Income	0.5%	0.3%
		Jan. Personal Spending	0.2%	0.7%
		Jan. PCE Deflator (MoM)	0.3%	0.2%
		Jan. PCE Deflator (YoY)	2.4%	2.6%
		Jan. Core PCE Deflator (MoM)	0.4%	0.2%
		Jan. Core PCE Deflator (YoY)	2.8%	2.9%
		Jan. Pending Home Sales	1.0%	8.3%
		Dell (DELL) Results		
	Hong Kong	HKEx (388), NetEase (9999) Results		
Fri	US	Feb. ISM Manufacturing	49.2	49.1
	Euro Zone	Feb. CPI (YoY)		
		Feb. Unemployment Rate	6.4%	6.4%
	China	Feb. Manufacturing PMI	49.4	49.2
		Feb. Non-manufacturing PMI		
		Feb. Caixin Manufacturing PMI	50.7	50.8

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