

Major Market Indicators

	27 Feb	26 Feb	23 Feb
Mkt. Turn.(mn)	102,600	83,500	96,100
Stock Advances	875	739	876
Stock Declines	741	875	755
HSI	16,791	16,635	16,726
Change	+156	-91	-17

HSI Technical Indicators

10-days MA	16,680
50-days MA	16,642
250-days MA	16,283
14-days RSI	66.98
Primary resistance	17,000
Primary support	16,500

HSCEI Technical Indicators

10-days MA	5,764
50-days MA	5,739
250-days MA	5,554
14-days RSI	67.71
Primary resistance	6,000
Primary support	5,500

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

Data released in the United States on Tuesday showed that the consumer confidence index unexpectedly fell to 106.7 in February from 110.9 in January, hitting a three-month low. The impact of inflation continues to put pressure on consumers. In addition, durable goods orders fell 6.1% in January, worse than the downwardly revised expectations of a 0.3% decline and a 5% decline in December. However, Federal Reserve Governor Michelle Bowman reiterated her expectation that inflation will continue to fall further if interest rates remain at current levels, but said it was too early to start cutting rates.

Hong Kong Stock Connect had a net inflow of HK1.32bn on Tuesday, of which CNOOC (883) had the largest net inflow, reaching HK\$0.56bn; followed by SMIC (981). Tencent (700) recorded the largest net outflow at HK\$0.84bn, followed by Meituan (3690).

Daily Focus

China Resources Power (836):

- 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.
- With the amount of electricity traded in the market continued to rise, the market mechanism has played a more decisive role in resource allocation. Last year, China's electricity market traded 5.7 trillion kilowatt-hours of electricity nationwide, a year-on-year increment of 7.9%, accounting for 61.4% of the total social electricity consumption, an increase of 0.6 ppts over the previous year. Industry reform is a positive factor for China Resources Power.
- As a leader in traditional thermal power, China Resources Power has at the same time strengthened its deployment of renewable energy in recent years. Total net generation of subsidiary power plants in January 2024 increased by 28.9% yoy to 18,901,457 MWh, among which, subsidiary wind farms increased by 1.5% yoy to 3,738,996 MWh, subsidiary photovoltaic plants increased by 224.6% yoy to 388,962 MWh. The group will continue to develop renewable energy in the future, and therefore is expected to have upsides for both profit and valuation.

China Resources Power (836): Info	
Closed price	16.88
FY24 P/E (X)	5.50
FY24 Dividend yield (%)	9.46
52 week high	18.558
52 week low	13.546
14 RSI	62.34

Analyst: Cynthia Tam

Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
Balance (RMB bn)	44.25	44.21	80.59
Balance as % of Quota Amount	85.1	85.0	95.6

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
TENCENT	700	637,891,880	1,666,973,672	2,304,865,552
LI AUTO-W	2015	877,490,960	398,045,550	1,275,536,510
SMIC	981	807,535,800	444,837,120	1,252,372,920
CNOOC	883	904,846,780	336,147,220	1,240,994,000
MEITUAN-W	3690	417,746,065	658,745,733	1,076,491,798
ZTE	763	491,709,020	377,641,936	869,350,956
XIAOMI-W	1810	245,621,884	137,312,456	382,934,340
CCB	939	97,529,660	178,901,070	276,430,730
CHINA MOBILE	941	153,641,225	117,684,380	271,325,605
XPENG-W	9868	114,636,350	147,482,055	262,118,405

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	661,906,720	664,360,360	1,326,267,080
TENCENT	700	673,918,480	485,846,780	1,159,765,260
LI AUTO-W	2015	224,398,170	657,704,338	882,102,508
MEITUAN-W	3690	261,054,720	507,689,982	768,744,702
SMIC	981	301,368,430	324,231,281	625,599,711
CHINA MOBILE	941	228,201,150	330,836,637	559,037,787
ZTE	763	162,868,808	192,640,956	355,509,764
CHINA SHENHUA	1088	139,963,875	200,961,150	340,925,025
XIAOMI-W	1810	157,744,492	143,796,936	301,541,428
SAMSONITE	1910	217,129,620	16,234,890	233,364,510

Sources: HKEx

Other Statistics

Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover(Billion)
TENCENT	700	-0.91%	284.60	66.62
LI AUTO-W	2015	25.45%	175.50	44.28
MEITUAN-W	3690	0.62%	81.65	36.81
TRACKER FUND	2800	1.13%	16.96	33.83
HSCEI ETF	2828	1.73%	58.90	32.26
BABA-SW	9988	1.82%	75.50	30.22
BYD COMPANY	1211	5.32%	197.90	27.41
CNOOC	883	-0.12%	16.78	24.05
SMIC	981	10.21%	16.62	18.97
AIA	1299	0.08%	63.85	16.24

Ten Short Sell Stocks

Stock Name	Code	Short Sell Amount	Turnover	Short Sell Ratio
HSCEI ETF	02828.HK	1.89B	3.23B	58.67%
HSBC HOLDINGS	00005.HK	1.07B	1.52B	70.67%
CSOP HS TECH	03033.HK	1.00B	1.24B	80.98%
BYD COMPANY	01211.HK	905.84M	2.74B	33.05%
LI AUTO-W	02015.HK	887.35M	4.43B	20.04%
TENCENT	00700.HK	699.16M	6.66B	10.49%
MEITUAN-W	03690.HK	613.93M	3.68B	16.68%
BABA-SW	09988.HK	523.10M	3.02B	17.31%
TRACKER FUND	02800.HK	508.99M	3.38B	15.05%
TRIP.COM-S	09961.HK	400.77M	1.10B	36.41%

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		
		Sun Hung Kai (16), Galaxy Ent (27), Budweiser Brewing (1876), Baidu (9888) Results		
Thu	US	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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