

## Major Market Indicators

	28 Feb	27 Feb	26 Feb
Mkt. Turn.(mn)	107,000	102,600	83,500
Stock Advances	548	875	739
Stock Declines	1,127	741	875
HSI	16,537	16,791	16,635
Change	-254	+156	-91

## HSI Technical Indicators

10-days MA	16,575
50-days MA	16,639
250-days MA	16,352
14-days RSI	38.18
Primary resistance	16,800
Primary support	16,400

## HSCEI Technical Indicators

10-days MA	5,701
50-days MA	5,735
250-days MA	5,588
14-days RSI	35.92
Primary resistance	5,800
Primary support	5,400

## Stock Pick

### CKA (1113)

**Target: \$41**
**Stop loss: \$34.15**

The latest HK budget remove all restrictions on property transactions. In a high interest rate environment, the negative spread between rental yields and mortgage loan costs will continue to suppress investment demand, and the property market is expected to remain challenging in the first half of the year. However, in the medium to long term, if residential rents can rebound and mortgage rates can fall, market sentiment may improve, encouraging more citizens to enter property the market. Compared with many Hong Kong real estate companies, we prefer CKA. Because it actively reduces debt in a high-interest-rate environment, its debt level is much lower than that of its peers. At the same time, looking at the valuation discount and past dividend payment record, CKA's fundamentals are also slightly better.

### 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

The U.S. Bureau of Economic Analysis announced that the GDP in the fourth quarter of last year was revised downward to 3.2%, slightly lower than the previously announced 3.3% and lower than the 4.9% in the previous quarter. The weaker economic growth data comes a day before the release of the PCE price index, the Fed's preferred inflation gauge that influences its expectations for interest rates.

Hong Kong Stock Connect had a net inflow of HK1.4bn on Wednesday, of which China Mobile (941) had the largest net inflow, reaching HK\$0.32bn; followed by Li Auto (2015). Tencent (700) recorded the largest net outflow at HK\$0.57bn, followed by Meituan (3690).

## Daily Focus

### CKA (1113): fundamentals better than peers

- The latest HK budget remove all restrictions on property transactions.
- In a high interest rate environment, the negative interest rate spread between rental yields and mortgage loan costs will continue to suppress investment demand, and the property market is expected to remain challenging in the first half of the year. Although the market generally estimates that there is a high chance that the United States will start to cut interest rates in June this year, even so, Hong Kong's prime interest rate P will still have a chance to run rampant for a while, because the cumulative increase in Hong Kong's prime interest rate P during this interest rate hike cycle is only 0.875. %. Therefore, when the United States cuts interest rates, the current level of Hong Kong P may not immediately follow. The timing for P rate to reduce will depend on the extent to which interbank rates fall. Even if the stimulus is completely withdrawn, property prices are expected to still record a low single-digit decline. However, in the medium to long term, if residential rents can rebound and mortgage rates can fall, market sentiment may improve, encouraging more citizens to enter property the market.
- Compared with many Hong Kong real estate companies, we prefer CKA. Because it actively reduces debt in a high-interest-rate environment, its debt level is much lower than that of its peers. At the same time, looking at the valuation discount and past dividend payment record, CKA's fundamentals are also slightly better.

CKA (1113): Info	
Closed price	36.65
FY24 P/E (X)	7.27
FY24 Dividend yield (%)	6.34
52 week high	50.80
52 week low	34.15
14 RSI	57.05

Analyst: Cynthia Tam

## Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
<b>Balance (RMB bn)</b>	49.79	51.47	80.84
<b>Balance as % of Quota Amount</b>	95.8	99.0	96.2

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
TENCENT	700	696,463,940	1,364,725,034	2,061,188,974
LI AUTO-W	2015	1,091,958,820	570,259,865	1,662,218,685
CNOOC	883	612,608,780	249,477,418	862,086,198
SMIC	981	346,139,280	423,994,960	770,134,240
MEITUAN-W	3690	217,977,720	282,067,596	500,045,316
CHINA MOBILE	941	350,653,125	58,087,900	408,741,025
ZTE	763	186,961,132	211,323,320	398,284,452
WUXI BIO	2269	189,495,790	165,551,810	355,047,600
XIAOMI-W	1810	104,030,276	171,597,860	275,628,136
COUNTRY GARDEN	2007	154,924,110	97,452,490	252,376,600

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	561,214,140	467,311,174	1,028,525,314
CNOOC	883	356,506,760	607,580,520	964,087,280
LI AUTO-W	2015	194,422,900	544,220,503	738,643,403
SMIC	981	304,130,690	241,661,320	545,792,010
MEITUAN-W	3690	153,854,600	258,595,990	412,450,590
CHINA SHENHUA	1088	143,851,850	183,421,575	327,273,425
CHINA MOBILE	941	154,707,500	123,694,792	278,402,292
XPENG-W	9868	50,350,870	216,774,780	267,125,650
CCB	939	83,696,510	171,966,710	255,663,220
YANKUANG ENERGY	1171	183,474,840	70,996,780	254,471,620

Sources: HKEx

## Other Statistics

### Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover(Billion)
TENCENT	700	-2.67%	277.00	72.45
LI AUTO-W	2015	0.80%	176.90	38.00
TRACKER FUND	2800	-1.65%	16.68	35.29
BABA-SW	9988	-1.66%	74.25	31.91
MEITUAN-W	3690	-4.04%	78.35	31.72
BYD COMPANY	1211	-2.53%	192.90	23.57
HSBC HOLDINGS	5	0.17%	59.75	21.77
CNOOC	883	-2.03%	16.44	18.75
SHK PPT	16	0.65%	78.00	17.22
CCB	939	-1.42%	4.87	17.19

## Ten Short Sell Stocks

Stock Name	Code	Short Sell Amount	Turnover	Short Sell Ratio
TRACKER FUND	02800.HK	1.99B	3.53B	56.38%
HSBC HOLDINGS	00005.HK	851.54M	2.18B	39.12%
CSOP HS TECH	03033.HK	692.12M	1.04B	66.77%
SHK PPT	00016.HK	670.38M	1.72B	38.93%
HSCEI ETF	02828.HK	647.02M	1.04B	61.95%
BYD COMPANY	01211.HK	570.56M	2.36B	24.21%
LI AUTO-W	02015.HK	566.26M	3.80B	14.90%
TRIP.COM-S	09961.HK	512.43M	1.36B	37.61%
CCB	00939.HK	429.90M	1.72B	25.01%
TENCENT	00700.HK	413.35M	7.25B	5.71%

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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