

### Major Market Indicators

	4 Mar	1 Mar	29 Feb
Mkt. Turn.(mn)	106,900	121,800	130,400
Stock Advances	651	833	899
Stock Declines	923	789	746
HSI	16,596	16,589	16,511
Change	+7	+78	-25

### HSI Technical Indicators

10-days MA	16,541
50-days MA	16,562
250-days MA	16,527
14-days RSI	55.81
Primary resistance	16,800
Primary support	16,400

### HSCEI Technical Indicators

10-days MA	5,694
50-days MA	5,706
250-days MA	5,671
14-days RSI	53.95
Primary resistance	5,800
Primary support	5,400

## Stock Pick

### Weichai Power (2338)

**Target: \$19**

**Stop loss: \$13.2**

LNG prices have been falling since this year, and LNG prices are more likely to fall after winter, which can reduce the fuel costs paid by heavy truck drivers and improve the cost-effectiveness of LNG heavy trucks. Given that the LNG heavy-duty truck engine market has fewer competitors and higher barriers to entry, engine manufacturers are in a favorable position in the industry chain. Weichai has a 30% market share in traditional heavy truck engines and more than 60% in the LNG engine market, showing certain competitiveness.

### 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 National People's Congress session opened today. According to foreign media reports, the China's expected economic growth target for 2024 this year is 5%, lower than the 5.2% year-on-year growth last year, while the CPI target is between 3%. This year's new local government special bond issuance amounted to Rmb3.9tn, Rmb100bn more than 2023. The deficit rate target in 2024 remains at 3%, with a scale of Rmb4.06tn.

The net inflow of Hong Kong Stock Connect on Monday was HK\$3.66bn. Among them, Meituan (3690) had the largest inflow, reaching HK\$839mn; followed by China Mobile (0941). Li Auto (2015) recorded the largest net outflow of HK\$562mn; followed by Tencent (0700).

## Daily Focus

### China Resources Power (836): nationwide electricity consumption gradually resume

- 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	17.8
FY24 P/E (X)	5.81
FY24 Dividend yield (%)	6.69
52 week high	18.558
52 week low	13.546
14 RSI	68.65

Analyst: Cynthia Tam

## Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
<b>Balance (RMB bn)</b>	53.10	55.43	78.21
<b>Balance as % of Quota Amount</b>	102.1	106.6	93.1

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
MEITUAN-W	3690	1,062,211,620	752,548,778	1,814,760,398
LI AUTO-W	2015	467,039,710	761,143,480	1,228,183,190
TENCENT	700	541,720,020	624,126,996	1,165,847,016
CNOOC	883	672,578,440	163,270,120	835,848,560
CHINA MOBILE	941	478,034,300	349,213,130	827,247,430
WUXI BIO	2269	303,719,665	358,454,565	662,174,230
SMIC	981	246,951,950	213,462,450	460,414,400
ZTE	763	197,287,456	161,068,428	358,355,884
CM BANK	3968	110,003,000	237,250,300	347,253,300
CHINA VANKE	2202	212,016,361	118,280,842	330,297,203

Sources: HKEx

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
LI AUTO-W	2015	602,192,740	870,349,755	1,472,542,495
CNOOC	883	578,473,280	755,543,260	1,334,016,540
MEITUAN-W	3690	830,066,480	300,561,706	1,130,628,186
CHINA MOBILE	941	638,404,375	363,388,500	1,001,792,875
TENCENT	700	329,348,840	414,550,744	743,899,584
WUXI BIO	2269	417,176,820	204,807,137	621,983,957
CHINA SHENHUA	1088	207,962,525	241,005,475	448,968,000
ZTO EXPRESS-W	2057	297,307,500	99,505	297,407,005
YANKUANG ENERGY	1171	111,354,840	116,873,220	228,228,060
SMIC	981	113,954,500	113,357,500	227,312,000

Sources: HKEx

## Other Statistics

### Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover(Billion)
MEITUAN-W	3690	3.51%	91.50	72.85
TRACKER FUND	2800	0.12%	16.74	58.82
LI AUTO-W	2015	-10.71%	160.00	49.77
BABA-SW	9988	-1.30%	72.10	40.29
TENCENT	700	-0.43%	276.20	38.23
CSOP HS TECH	3033	-0.35%	3.40	32.74
CNOOC	883	3.34%	16.70	21.96
WUXI BIO	2269	11.70%	21.00	19.77
HSBC HOLDINGS	5	-0.90%	60.65	19.55
CHINA MOBILE	941	2.14%	66.90	18.65

## Ten Short Sell Stocks

Stock Name	Code	Short Sell Amount	Turnover	Short Sell Ratio
TRACKER FUND	02800.HK	1.75B	3.49B	50.07%
MEITUAN-W	03690.HK	1.33B	3.87B	34.33%
CSOP HS TECH	03033.HK	684.36M	1.51B	45.35%
LI AUTO-W	02015.HK	568.37M	3.58B	15.89%
BYD COMPANY	01211.HK	242.70M	794.69M	30.54%
TENCENT	00700.HK	219.24M	2.06B	10.66%
LENOVO GROUP	00992.HK	216.03M	710.51M	30.41%
BABA-SW	09988.HK	206.23M	2.27B	9.09%
CNOOC	00883.HK	201.59M	1.48B	13.58%
KUAISHOU-W	01024.HK	175.64M	498.82M	35.21%

Source: AA Stocks

## Economic Calendars

Date	Country	Event	Survey	Prior
Tue	US	Feb. ISM Services Index	52.9	53.4
		NIO (NIO), Target (TGT) Results		
	China	Feb. Caixin Manufacturing PMI	52.9	52.7
	Hong Kong	JD.com (9618), NIO (9866) Results		
Wed	US	Feb. ADP Employment Change	150k	107k
		Jan. JOLTS Job Openings		9,026k
	Hong Kong	JD Logistics (2618) Result		
Thu	US	Initial Jobless Claims (Till Mar 2)		215k
		Continuing Jobless Claims (Till Feb 24)		1,905k
		U.S. Federal Reserve Releases Beige Book		
		Jan. Trade Balance	-\$62.5b	\$62.2b
		4Q. Nonfarm Productivity (Final)	3.1%	3.2%
		Broadcom (AVGO), Costco (COST) Results		
	Euro Zone	ECB Monetary Policy Meeting		
	China	Feb. Exports YTD (YoY)	1.2%	
		Feb. Imports YTD (YoY)	1.7%	
		Feb. Trade Balance YTD		
	Hong Kong	MTR (66), Prada (1913), Wharf (1997), Bilibili (9626) Results		
Fri	US	Feb. Change in Nonfarm Payrolls	190k	353k
		Feb. Unemployment Rate	3.7%	3.7%
		Feb. Average Hourly Earnings (MoM)	0.3%	0.6%
	Euro Zone	4Q. GDP SA (QoQ)	0.0%	0.0%
Sat	China	Feb. PPI (YoY)		-2.5%
	China	Feb. CPI (YoY)		-0.8%

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