

Major Market Indicators

	5 Mar	4 Mar	1 Mar
Mkt. Turn.(mn)	112,100	106,900	121,800
Stock Advances	433	651	833
Stock Declines	1,263	923	789
HSI	16,163	16,596	16,589
Change	-433	+7	+78

HSI Technical Indicators

10-days MA	16,162
50-days MA	16,413
250-days MA	16,525
14-days RSI	34.90
Primary resistance	16,400
Primary support	16,000

HSCEI Technical Indicators

10-days MA	5,564
50-days MA	5,653
250-days MA	5,677
14-days RSI	36.45
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

Federal Reserve Chairman Jerome Powell will offer a two-day testimony before Congress on Wednesday and Thursday, which may reflect the need for patience in cutting interest rates. Several Fed officials warned against betting on an early interest rate cut, citing concerns about stubbornly high inflation and the resilience of the U.S. economy. Atlanta Federal Reserve Bank President Raphael Bostic said on Monday that continued bets that the Federal Reserve would cut interest rates early could trigger rising inflationary pressures. In addition to Powell's testimony, the focus this week will be on the key February non-farm payrolls data.

Hong Kong Stock Connect had a net inflow of HK\$5.92bn on Tuesday, of which Tencent (700) had the largest net inflow, reaching HK\$0.69bn; followed by Meituan (3690). PetroChina (857) recorded the largest net outflow at HK\$0.16bn, followed by Wuxi Bio (2269).

Daily Focus

China Mobile (941): a pick with high growth visibility and attractive dividends

- 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.
- 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. SOEs responded in affirmation. They vowed to actively carry out value management and value dissemination activities, and will adopt market capitalization management tools on a regular basis to safeguard company value and enhance shareholders' returns. 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.
- China Mobile is a pick with high growth visibility and attractive dividends.

China Mobile (941): Info	
Closed price	66.85
FY24 P/E (X)	9.13
FY24 Dividend yield (%)	7.83
52 week high	70.2
52 week low	60.9
14 RSI	51.83

Analyst: Cynthia Tam

Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
Balance (RMB bn)	50.19	49.35	76.46
Balance as % of Quota Amount	96.5	94.9	91.0

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
TENCENT	700	1,414,333,920	921,023,532	2,335,357,452
MEITUAN-W	3690	463,314,375	556,992,824	1,020,307,199
CHINA MOBILE	941	489,840,400	467,049,175	956,889,575
LI AUTO-W	2015	530,280,630	261,140,080	791,420,710
CNOOC	883	518,973,480	111,683,760	630,657,240
CCB	939	291,584,590	275,500,100	567,084,690
ICBC	1398	241,448,840	232,631,030	474,079,870
SMIC	981	244,140,650	203,431,620	447,572,270
XIAOMI-W	1810	242,746,576	109,000,472	351,747,048
CHINA SHENHUA	1088	239,685,450	106,059,988	345,745,438

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	921,801,960	715,750,557	1,637,552,517
MEITUAN-W	3690	636,815,230	319,578,700	956,393,930
CHINA MOBILE	941	648,641,325	194,702,475	843,343,800
LI AUTO-W	2015	354,890,380	272,469,400	627,359,780
CNOOC	883	301,814,540	191,482,860	493,297,400
CHINA SHENHUA	1088	97,238,825	311,360,425	408,599,250
WUXI BIO	2269	215,858,740	48,175,385	264,034,125
PETROCHINA	857	44,153,600	212,602,180	256,755,780
XIAOMI-W	1810	130,232,948	114,307,362	244,540,310
SMIC	981	114,142,280	129,104,570	243,246,850

Sources: HKEx

Other Statistics

Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover(Billion)
TRACKER FUND	2800	-2.63%	16.30	110.80
TENCENT	700	-2.90%	268.20	70.21
MEITUAN-W	3690	-5.63%	86.35	47.68
BABA-SW	9988	-3.33%	69.70	41.50
LI AUTO-W	2015	-5.00%	152.00	25.63
CSOP HS TECH	3033	-4.12%	3.26	21.68
JD-SW	9618	-7.54%	82.75	19.06
CCB	939	-1.03%	4.80	18.83
BIDU-SW	9888	-5.74%	95.30	17.84
BYD COMPANY	1211	-0.78%	191.10	17.74

Ten Short Sell Stocks

Stock Name	Code	Short Sell Amount	Turnover	Short Sell Ratio
TRACKER FUND	02800.HK	3.26B	11.08B	29.45%
MEITUAN-W	03690.HK	1.46B	4.77B	30.70%
BABA-SW	09988.HK	826.54M	4.15B	19.92%
XL2CSOPHSTECH	07226.HK	806.57M	1.25B	64.32%
LI AUTO-W	02015.HK	713.70M	2.56B	27.85%
TENCENT	00700.HK	694.15M	7.02B	9.89%
CSOP HS TECH	03033.HK	620.98M	2.17B	28.64%
CCB	00939.HK	585.73M	1.88B	31.11%
BYD COMPANY	01211.HK	566.17M	1.77B	31.91%
JD-SW	09618.HK	544.32M	1.91B	28.56%

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
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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