

Major Market Indicators

	11 Mar	8 Mar	7 Mar
Mkt. Turn.(mn)	92,900	86,700	98,000
Stock Advances	984	1,058	590
Stock Declines	658	587	1,008
HSI	16,588	16,353	16,230
Change	+234	+124	-20

HSI Technical Indicators

10-days MA	16,573
50-days MA	16,455
250-days MA	16,511
14-days RSI	60.74
Primary resistance	16,800
Primary support	16,400

HSCEI Technical Indicators

10-days MA	5,745
50-days MA	5,698
250-days MA	5,696
14-days RSI	96.99
Primary resistance	6,800
Primary support	6,400

Stock Pick

CRRC (1766)

Target: \$5.3

Stop loss: \$3.8

The State Council executive previously considered and approved the Action Plan for the Promotion of the Large-Scale Equipment Renewal and Trade-in of Consumer Goods. Encouraged by policies, the pace of railway equipment renewal and replacement is expected to accelerate, which will benefit the company's long- Recently, CRRC disclosed a RMB14.78bn advanced refurbishment contract of MUs. Judging from the contract amount, the amount of the first advanced refurbishment contract announced this time exceeds that of the whole of last year term revenue growth in its railway equipment business. The newly added EMUs since 2010 are driving the EMU post-maintenance market to grow, and therefore companies like CRRC can be benefitted.

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

After Japan has temporarily emerged from a technical recession and the final GDP value in the 4Q23 has been significantly revised up, the market is awaiting to the upcoming wage growth results this year, because it is related to Japan's economic trends this year and the direction of monetary policy. Japan's Economic Minister believed that the result of this year's salary increase will determine whether Japan's economy has entered an turning point, and the Bank of Japan's negative interest rate policy also believes that it will depend on whether the salary report released by Rengo is satisfactory.

Hong Kong Stock Connect saw a net inflow of HK\$3.0bn on Monday, in which Bank of China (3988) had the largest inflow, recorded HK\$600mn; followed by Li Auto (2015). CSOP HS TECH (3033) recorded the largest net outflow of HK\$230mn; followed by China Construction Bank (0939).

Daily Focus

Dongfang Electric (1072 mainland's power grid may be connected to more new energy sources

- It is believed that the mainland's power grid may be connected to more new energy sources. The news is a positive signal for the development of the new energy industry. As a supplier of power generation equipment, Dongfang Electric can benefit indirectly.
- As a major energy producer and consumer, ensuring energy security is China's top priority. Traditional energy plays the role of "ballast" and "stabilizer" in ensuring energy supply, and the development of new energy will continue to be a national policy direction.
- As the leading power generation equipment leader in China, Dongfang Electric has an industrial structure of "simultaneous development of six types of power" (wind power, solar power, hydropower, nuclear power, gas power, thermal power) and "six industries synergy". At the same time, the group can also provide hydrogen production and refueling. and energy storage system solutions, which can benefit from multiple dimensions. The 14th Five-Year Plan and the 2035 Vision Goals propose policies to accelerate the construction of a modern energy system and promote high-quality energy development. Dongfang Electric is one of the key companies under this investment theme..

Dongfang Electric (1072): Info	
Closed price	8.88
FY24 P/E (X)	5.52
FY24 Dividend yield (%)	5.39
52 week high	13.98
52 week low	6.00
14 RSI	68.89

Analyst: Cynthia Tam

Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
Balance (RMB bn)	46.66	44.23	78.68
Balance as % of Quota Amount	89.7	85.1	96.7

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
CNOOC	883	836,032,880	552,404,737	1,388,437,617
TENCENT	700	609,384,440	558,602,290	1,167,986,730
CHINA MOBILE	941	366,249,850	385,260,325	751,510,175
BANK OF CHINA	3988	634,425,360	36,769,840	671,195,200
MEITUAN-W	3690	215,312,325	375,081,435	590,393,760
CHINA SHENHUA	1088	287,965,250	227,466,625	515,431,875
ICBC	1398	245,647,080	237,711,630	483,358,710
LI AUTO-W	2015	229,228,280	232,095,285	461,323,565
CCB	939	80,577,410	292,675,670	373,253,080
YANKUANG ENERGY	1171	117,766,560	225,233,640	343,000,200

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	500,398,220	535,198,280	1,035,596,500
CNOOC	883	341,775,900	608,385,688	950,161,588
LI AUTO-W	2015	511,486,810	347,179,201	858,666,011
CHINA MOBILE	941	258,817,000	388,792,325	647,609,325
MEITUAN-W	3690	352,145,595	278,232,153	630,377,748
YANKUANG ENERGY	1171	301,670,960	216,306,231	517,977,191
CHINA SHENHUA	1088	155,368,150	293,919,844	449,287,994
PETROCHINA	857	264,314,180	130,701,295	395,015,475
KUAISHOU-W	1024	206,890,260	66,592,378	273,482,638
CSOP HS TECH	3033	861,210	234,383,021	235,244,231

Sources: HKEx

Other Statistics

Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover(Billion)
TENCENT	700	3.19%	278.60	49.37
TRACKER FUND	2800	1.39%	16.79	37.76
MEITUAN-W	3690	5.31%	89.20	29.21
BABA-SW	9988	2.18%	72.80	26.93
BYD COMPANY	1211	5.00%	197.40	26.40
CNOOC	883	-3.56%	17.32	22.70
LI AUTO-W	2015	-0.35%	144.20	21.29
JD-SW	9618	6.43%	98.55	19.90
HSCEI ETF	2828	1.64%	58.18	18.36
CHINA MOBILE	941	-0.30%	67.50	12.95

Ten Short Sell Stocks

Stock Name	Code	Short Sell Amount	Turnover	Short Sell Ratio
TRACKER FUND	02800.HK	2.33B	3.78B	61.60%
TENCENT	00700.HK	636.89M	4.94B	12.90%
BYD COMPANY	01211.HK	604.38M	2.64B	22.89%
MEITUAN-W	03690.HK	583.47M	2.92B	19.98%
HSCEI ETF	02828.HK	442.05M	1.84B	24.08%
XI2CSOPHSTECH	07552.HK	438.88M	747.04M	58.75%
TECHTRONIC IND	00669.HK	354.23M	840.76M	42.13%
BABA-SW	09988.HK	325.88M	2.69B	12.10%
LI AUTO-W	02015.HK	314.20M	2.13B	14.76%
JD-SW	09618.HK	295.80M	1.99B	14.86%

Source: AA Stocks

Economic Calendars

Date	Country	Event	Survey	Prior
Mon	US	Oracle (ORCL) Result		
Tue	US	Feb. CPI (MoM)	0.4%	0.3%
		Feb. CPI Ex Food and Energy (MoM)	0.3%	0.4%
		Feb. CPI (YoY)	3.1%	3.1%
	Hong Kong	Wharf (4) Result		
Wed	Euro Zone	Jan. Industrial Production SA (MoM)	-2.0%	2.6%
	Hong Kong	Cathay Pacific (293), Samsonite (1910) Results		
Thu	US	Initial Jobless Claims (Till Mar 9)		
		Continuing Jobless Claims (Till Mar 2)		
		Feb. Retail Sales Ex Auto (MoM)	0.5%	-0.6%
		Feb. PPI Final Demand (MoM)	0.3%	0.3%
		Feb. PPI Ex Food and Energy (MoM)	0.2%	0.5%
		Jan. Business Inventories	0.3%	0.4%
		Adobe (ADBE) Result		
	Hong Kong	AIA (1299) Result		
Fri	US	Feb. Industrial Production (MoM)	0.0%	-0.1%
		Mar. University of Michigan Sentiment	77.0	76.9

All the above named KGI analyst(s) is SFC licensed person accredited to KGI Asia Ltd to carry on the relevant regulated activities. Each of them and/or his/her associate(s) does not have any financial interest in the respectively covered stock, issuer and/or new listing applicant.

Disclaimer

Some of KGI Asia Ltd. equity research and earnings estimates are available electronically on www.kgi.com.hk. Please contact your KGI representative for information. The information and opinions in this report are those of KGI Asia Ltd. internal research activity. KGI Asia Ltd. does not make any representation or warranty, express or implied, as to the fairness, accuracy, completeness or correctness of the information and opinions contained in this report. The information and opinions contained in this report are subject to change without any notice. No person accepts any liability whatsoever for any loss however arising from any use of this report or its contents. This report is not to be construed as an invitation or offer to buy or sell securities and/or to participate in any investment activity. This report is being supplied solely for informational purposes and may not be reproduced or published (in whole or in part) for any purpose without the prior written consent of KGI Asia Ltd.. Members of the KGI group and their affiliates may provide services to any companies and affiliates of such companies mentioned herein. Members of the KGI group, their affiliates and their directors, officers and employees may from time to time have a position in any securities mentioned herein.