

Major Market Indicators

	18 Mar	15 Mar	14 Mar
Mkt. Turn.(mn)	95,800	139,100	113,100
Stock Advances	878	625	710
Stock Declines	753	1,000	912
HSI	16,737	16,721	16,962
Change	+16	-241	-120

HSI Technical Indicators

10-days MA	16,637
50-days MA	16,166
250-days MA	16,615
14-days RSI	55.04
Primary resistance	17,000
Primary support	16,500

HSCEI Technical Indicators

10-days MA	5,858
50-days MA	5,828
250-days MA	5,883
14-days RSI	51.59
Primary resistance	6,000
Primary support	5,500

Stock Pick
PetroChina (857)
Target: \$7.6
Stop loss: \$5.7

The International Energy Agency (IEA) said global oil markets will be hit by a supply shortage this year rather than a glut as previously forecast, as OPEC+ is likely to continue production cuts in the second half of the year. The IEA also raised its forecast for global demand growth this year to 1.3 million barrels per day, reflecting a stronger U.S. economic outlook and increased fuel demand for container ships bypassing the Red Sea. Global oil demand is expected to reach a record 103.2 million barrels per day this year.

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 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

According to Japanese media reports, the BOJ may announce the end of the YCC today, raising short-term interest rates to a range of 0 to 0.1% and stopping the purchase of ETF assets. Although the BOJ has ended its negative interest rate policy, it is not expected to announce a balance sheet reduction at the same time. It is reasonable to choose to continue to purchase government bonds. After all, if bond interest rates rise sharply, Japan, a country with a high debt burden, will face financing pressure.

The net inflow of Hong Kong Stock Connect on Monday was HK\$2.93bn, in which Xiaomi (1810) had the largest net inflow, reaching HK\$330mn; followed by Kuaishou (1024). Li Auto (2015) recorded the largest net outflow of HK\$290mn, followed by WuXi Biologics (2269).

Daily Focus

PetroChina (857): global oil markets likely to be hit by a supply shortage

- The International Energy Agency (IEA) said global oil markets will be hit by a supply shortage this year rather than a glut as previously forecast, as OPEC+ is likely to continue production cuts in the second half of the year. The IEA also raised its forecast for global demand growth this year to 1.3 million barrels per day, reflecting a stronger U.S. economic outlook and increased fuel demand for container ships bypassing the Red Sea. Global oil demand is expected to reach a record 103.2 million barrels per day this year. The prospect of tighter supplies could go some way to helping offset ongoing concerns about a slowdown in oil demand this year, especially given the China's sluggish economic recovery and the lagged impact of high U.S. interest rates.
- At the same time, the oil sector can be benefited from the market value management of SOEs. 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 oil stocks to continue to increase their dividend payout ratios in the future.
- Bloomberg predicts PetroChina to have a dividend yield of approx. 7% in 2024, showing the investment value of the stock.

PetroChina (857): Info	
Closed price	6.33
FY24 P/E (X)	6.34
FY24 Dividend yield (%)	7.35
52 week high	6.53
52 week low	4.12
14 RSI	64.48

Analyst: Cynthia Tam

Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
Balance (RMB bn)	48.96	49.58	78.63
Balance as % of Quota Amount	94.2	95.3	93.6

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
TENCENT	700	817,204,700	1,036,869,175	1,854,073,875
LI AUTO-W	2015	315,352,870	578,969,747	894,322,617
MEITUAN-W	3690	338,610,225	544,373,314	882,983,539
CNOOC	883	357,606,640	280,407,300	638,013,940
CHINA MOBILE	941	347,840,500	285,770,650	633,611,150
WUXI BIO	2269	371,842,580	243,133,369	614,975,949
XIAOMI-W	1810	388,993,072	180,007,136	569,000,208
KUAISHOU-W	1024	403,330,840	79,697,870	483,028,710
CHINA SHENHUA	1088	270,224,425	158,498,114	428,722,539
CCB	939	190,189,510	232,615,830	422,805,340

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	695,765,300	520,793,529	1,216,558,829
WUXI BIO	2269	252,704,770	506,635,038	759,339,808
LI AUTO-W	2015	270,269,440	299,070,725	569,340,165
CHINA SHENHUA	1088	159,644,350	390,858,697	550,503,047
CNOOC	883	286,801,260	232,244,548	519,045,808
MEITUAN-W	3690	308,347,100	210,056,001	518,403,101
XIAOMI-W	1810	273,115,796	150,077,081	423,192,877
SMIC	981	152,078,910	263,608,557	415,687,467
MEITU	1357	188,065,100	211,047,380	399,112,480
CHINA MOBILE	941	315,126,550	75,003,695	390,130,245

Sources: HKEx

Other Statistics

Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover(Billion)
TENCENT	700	2.11%	289.80	56.54
HSCEI ETF	2828	0.65%	59.26	35.01
AIA	1299	-3.20%	59.05	33.48
TRACKER FUND	2800	0.06%	16.96	33.02
MEITUAN-W	3690	1.12%	90.40	27.07
BABA-SW	9988	0.14%	72.00	21.55
LI AUTO-W	2015	-5.64%	139.00	20.68
BYD COMPANY	1211	3.14%	216.80	17.38
XIAOMI-W	1810	2.75%	14.94	16.44
WUXI BIO	2269	2.22%	14.76	15.98

Ten Short Sell Stocks

Stock Name	Code	Short Sell Amount	Turnover	Short Sell Ratio
HSCEI ETF	02828.HK	1.11B	2.98B	37.34%
TRACKER FUND	02800.HK	794.19M	2.02B	39.24%
TENCENT	00700.HK	757.23M	3.44B	22.01%
MEITUAN-W	03690.HK	318.17M	1.49B	21.39%
BYD COMPANY	01211.HK	299.26M	786.95M	38.03%
KUAISHOU-W	01024.HK	232.02M	779.17M	29.78%
AIA	01299.HK	226.18M	1.94B	11.63%
CCB	00939.HK	189.77M	594.33M	31.93%
CNOOC	00883.HK	189.22M	742.69M	25.48%
XIAOMI-W	01810.HK	178.01M	757.29M	23.51%

Source: AA Stocks

Economic Calendars

Date	Country	Event	Survey	Prior	
Mon	Euro Zone	Feb. CPI (YoY)		2.6%	
		Feb CPI (MoM)		0.6%	
		Feb. Core CPI (YoY)		3.1%	
		Jan. Trade Balance SA		13.0b	
	China	Feb. Industrial Productions YTD (YoY)	5.2%		
		Feb. Retail Sales YTD (YoY)	5.3%		
		Feb. Fixed Assets Ex Rural YTD (YoY)	3.2%		
	Hong Kong	China Resources Beer (291), China Tower (788), Tencent Music (1698) Results			
Tue	US	Feb. Building Permits	1,500k	1,470k	
		Feb. Housing Starts	1,430k	1,331k	
	Japan	BOJ Monetary Policy Meeting			
	Hong Kong	Xiaomi (1810), ZTO Express (2057), XPeng (9868) Results			
Wed	China	5-Year Loan Prime Rate	3.95%	3.95%	
		1-Year Loan Prime Rate	3.45%	3.45%	
	Hong Kong	Geely Auto (175), Tencent (700), Kuaishou (1024), Sunny Optical (2382) Results			
Thu	US	FOMC Monetary Meeting (Announce in early morning on 21 Mar in HKT)			
		Initial Jobless Claims (Till Mar 16)		209k	
		Continuing Jobless Claims (Till Mar 9)		1,811k	
		Mar. Philadelphia Fed Business Outlook	-4.0	5.2	
		Mar. S&P Global Manufacturing PMI	51.8	52.2	
		Mar. S&P Global Services PMI	52.0	52.3	
		Feb. Existing Home Sales	3.92m	4.00m	
		FedEx (FDX), Nike (NKE) Results			
		Euro Zone	Mar. HCOB Manufacturing PMI		46.50
			Mar. HCOB Services PMI		50.20
		UK	BOE Monetary Police Meeting		
	Hong Kong	Ping An Insurance(2318) Result			
Fri	Hong Kong	China Shenhua (1088), Zijin Mining (2899) Results			



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