

Major Market Indicators

	19 Mar	18 Mar	15 Mar
Mkt. Turn.(mn)	90,700	95,800	139,100
Stock Advances	550	878	625
Stock Declines	1,066	753	1,000
HSI	16,529	16,737	16,721
Change	-208	+16	-241

HSI Technical Indicators

10-days MA	16,673
50-days MA	16,166
250-days MA	16,611
14-days RSI	50.56
Primary resistance	16,800
Primary support	16,400

HSCEI Technical Indicators

10-days MA	5,793
50-days MA	5,507
250-days MA	5,669
14-days RSI	54.87
Primary resistance	6,000
Primary support	5,600

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

The Federal Reserve's two-day meeting begins on Tuesday, but markets expect rates to be unchanged. However, a recent spate of worrying inflation reports has investors worried that the Fed may signal that interest rates will remain higher for longer than expected. U.S. Treasury yields fell despite concerns that the Federal Reserve may no longer dovish. On the economic front, housing activity continues to recover, with housing starts and building permits unexpectedly rise.

Hong Kong Stock Connect had a net inflow of HK\$6.92bn on Tuesday, of which Tencent (700) had the largest net inflow, reaching HK\$0.80bn; followed by BOC (3988). Kuaishou (1024) recorded the largest net outflow at HK\$0.06bn, followed by Meituan (3690).

Daily Focus

Tencent (700): 4Q23 Result to be announced today

- Market forecasts that Tencent 4Q23 revenue to be at RMB157.42bn, increase 8.66% yoy and 1.81% qoq, mainly driven by advertising, and FinTech and Business services income. The market forecasts net profit to be at RMB41.97bn, compared with RMB29.71bn in 4Q22 and RMB44.92bn in 3Q23.

- In terms of segment business, the market expects value-added service revenue to be at RMB72.01bn, increase by 2.2% yoy but fell by 4.92% qoq. The market has long been expecting the growth rate of game segment to slow down in the fourth quarter, affected by the high base of international games and factors such as the off-season. The market will pay attention to management's views on the potential impact of the latest game regulation, the development of local and international game business in the current quarter, and the progress of games to be launched in the future. In addition, the market expects advertising revenue to reach RMB28.32bn, increase by 14.8% yoy and 10.12% qoq. This is mainly driven by the continuous monetization of video accounts. The market expects FinTech and Business services revenue to be at RMB54.82bn, increase by 16.1% yoy and 5.34% qoq.

Tencent (700): Info	
Closed price	285
FY24 P/E (X)	13.9
FY24 Dividend yield (%)	0.86
52 week high	397.6
52 week low	260.2
14 RSI	43.95

Analyst: Cynthia Tam

Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
Balance (RMB bn)	55.63	53.59	75.38
Balance as % of Quota Amount	107.0	103.1	89.7

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
TENCENT	700	772,612,940	366,932,975	1,139,545,915
CNOOC	883	462,274,260	287,028,360	749,302,620
LI AUTO-W	2015	240,295,590	468,647,392	708,942,982
BANK OF CHINA	3988	556,262,710	35,154,450	591,417,160
MEITUAN-W	3690	261,907,065	280,239,480	542,146,545
CHINA MOBILE	941	290,043,200	220,940,150	510,983,350
CCB	939	211,618,080	234,287,360	445,905,440
WUXI APPTec	2359	242,307,275	143,434,850	385,742,125
ICBC	1398	202,651,150	178,456,700	381,107,850
KINGKEY FIN INT	1468	184,113,190	194,178,690	378,291,880

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	578,126,940	179,878,080	758,005,020
LI AUTO-W	2015	521,700,140	122,818,270	644,518,410
CHINA SHENHUA	1088	161,711,550	177,321,748	339,033,298
YANKUANG ENERGY	1171	177,835,040	140,865,120	318,700,160
GCL TECH	3800	183,456,410	120,804,720	304,261,130
XIAOMI-W	1810	237,448,820	60,064,972	297,513,792
KUAISHOU-W	1024	112,562,445	179,463,716	292,026,161
WUXI APPTec	2359	155,664,720	115,370,940	271,035,660
MEITUAN-W	3690	125,924,870	145,085,927	271,010,797
CNOOC	883	185,752,720	77,312,954	263,065,674

Sources: HKEx

Other Statistics

Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover(Billion)
TENCENT	700	-1.66%	285.00	44.94
TRACKER FUND	2800	-1.24%	16.75	36.13
AIA	1299	-2.79%	57.40	30.71
BABA-SW	9988	-1.25%	71.10	27.26
LI AUTO-W	2015	-7.99%	127.90	24.66
MEITUAN-W	3690	-1.33%	89.20	20.07
HSCEI ETF	2828	-1.25%	58.52	19.85
BYD COMPANY	1211	-1.38%	213.80	14.35
XIAOMI-W	1810	-0.54%	14.86	14.03
CNOOC	883	1.49%	17.72	13.77

Ten Short Sell Stocks

Stock Name	Code	Short Sell Amount	Turnover	Short Sell Ratio
TRACKER FUND	02800.HK	2.13B	3.61B	59.07%
HSCEI ETF	02828.HK	1.19B	1.98B	59.84%
TENCENT	00700.HK	680.05M	4.49B	15.13%
CSOP HS TECH	03033.HK	567.69M	1.02B	55.41%
BANK OF CHINA	03988.HK	520.77M	1.22B	42.54%
MEITUAN-W	03690.HK	516.31M	2.01B	25.73%
LI AUTO-W	02015.HK	471.97M	2.47B	19.14%
BABA-SW	09988.HK	466.70M	2.73B	17.12%
AIA	01299.HK	436.52M	3.07B	14.22%

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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