

Major Market Indicators

| | 22 Mar | 21 Mar | 20 Mar |
|----------------|---------|---------|--------|
| Mkt. Turn.(mn) | 135,700 | 118,100 | 85,300 |
| Stock Advances | 462 | 959 | 832 |
| Stock Declines | 1,146 | 657 | 749 |
| HSI | 16,499 | 16,863 | 16,543 |
| Change | -364 | +320 | +14 |

HSI Technical Indicators

| | |
|--------------------|--------|
| 10-days MA | 16,762 |
| 50-days MA | 16,194 |
| 250-days MA | 18,014 |
| 14-days RSI | 49.41 |
| Primary resistance | 16,800 |
| Primary support | 16,400 |

HSCEI Technical Indicators

| | |
|--------------------|-------|
| 10-days MA | 5,845 |
| 50-days MA | 5,529 |
| 250-days MA | 6,145 |
| 14-days RSI | 52.14 |
| Primary resistance | 6,000 |
| Primary support | 5,600 |

Stock Pick
China Unicom (762)
Target: \$6.3
Stop loss: \$5.1

The operating revenue of China Unicom increased steadily to RMB372.6bn, up 5.0% yoy in FY23. The profit attributable to equity shareholders of the Company reached RMB18.7bn, representing a yoy increase of 11.8%, continuing double-digit growth. The company has continuous optimization of the revenue mix in recent years. China Unicom's cloud revenue yoy growth has re-accelerated from +36.6% in the first nine months of 2023 to 55.2% in the fourth quarter of 2023, easing market concerns about its growth.

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.

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

Premier Li Qiang attended the China Development Forum in Beijing and delivered a keynote speech, pointing out that the fundamentals of China's long-term economic growth have not changed and that China will continue to focus on expanding domestic demand and accelerating the development of new productive forces. It reiterated that it will promote the construction of a unified national market, promote large-scale equipment updates and the replacement of durable consumer goods. At the same time, other aspects such as technological innovation, upgrading of traditional industries and emerging industries are also one of China's development directions.

Hong Kong Stock Connect saw a net inflow of HK\$14.5 billion on Friday, of which Tracker Fund (2800) had the largest inflow, reaching HK\$3.55 billion; followed by Hang Seng China Enterprises (2828). Semiconductor Manufacturing International Corporation (981) recorded the largest net outflow of HK\$179 million, followed by Innovent Biologics (1801).

Daily Focus

China Unicom (762): dividend payout ratio still has upside

- The operating revenue of China Unicom increased steadily to RMB372.6bn, up 5.0% yoy in FY23. The profit attributable to equity shareholders of the Company reached RMB18.7bn, representing a yoy increase of 11.8%, continuing double-digit growth.
- The company has continuous optimization of the revenue mix in recent years. The revenue of Connectivity and Communications business and the revenue of Computing and Digital Smart Applications business reached RMB244.58bn and RMB75.25bn respectively, up 3.1% yoy and 12.9% yoy. China Unicom's cloud revenue yoy growth has re-accelerated from +36.6% in the first nine months of 2023 to 55.2% in the fourth quarter of 2023, easing market concerns about its growth.
- China Unicom announced a total of RMB 33.66 cents of dividends throughout the year, an increase of 22.8% yoy. The annual dividend payout ratio was 55%, an increase of 5 percentage points year-on-year, reaching a record high.
- The capital expenditure target for 2024 is RMB65bn, a yoy decrease of 12%. The market expects that China Unicom's dividend payout ratio still has room to increase, with an increase of 5 percentage points both in FY24 and FY25. Market expects its dividend yield to be at 9% in 2025, the highest among the three Chinese telecommunications companies.

| China Unicom (762): Info | |
|--------------------------|-------|
| Closed price | 5.6 |
| FY24 P/E (X) | 7.71 |
| FY24 Dividend yield (%) | 7.79 |
| 52 week high | 6.58 |
| 52 week low | 4.45 |
| 14 RSI | 53.85 |

Analyst: Cynthia Tam

Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

| | SH Connect | SZ Connect | Combined Southbound |
|-------------------------------------|------------|------------|---------------------|
| Balance (RMB bn) | 52.56 | 52.24 | 67.85 |
| Balance as % of Quota Amount | 101.1 | 100.5 | 80.8 |

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

| Stock Name | Stock code | Buy Trades (HKD) | Sell Trades (HKD) | Turnover (HKD) |
|---------------|------------|------------------|-------------------|----------------|
| TENCENT | 700 | 1,623,376,880 | 842,275,520 | 2,465,652,400 |
| CNOOC | 883 | 1,263,634,240 | 796,413,175 | 2,060,047,415 |
| TRACKER FUND | 2800 | 1,468,712,855 | 7,085,045 | 1,475,797,900 |
| LI AUTO-W | 2015 | 597,333,730 | 483,544,585 | 1,080,878,315 |
| CHINA MOBILE | 941 | 839,646,600 | 195,282,050 | 1,034,928,650 |
| MEITUAN-W | 3690 | 614,334,950 | 173,113,387 | 787,448,337 |
| PING AN | 2318 | 358,561,300 | 321,952,500 | 680,513,800 |
| BANK OF CHINA | 3988 | 582,545,180 | 8,989,390 | 591,534,570 |
| SMIC | 981 | 258,493,860 | 330,314,130 | 588,807,990 |
| HSCEI ETF | 2828 | 539,046,188 | 18,882,744 | 557,928,932 |

Sources: HKEx

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

| Stock Name | Stock code | Buy Trades (HKD) | Sell Trades (HKD) | Turnover (HKD) |
|--------------|------------|------------------|-------------------|----------------|
| TRACKER FUND | 2800 | 2,090,969,800 | 2,538,530 | 2,093,508,330 |
| CNOOC | 883 | 1,151,891,740 | 731,657,016 | 1,883,548,756 |
| TENCENT | 700 | 811,537,680 | 388,176,060 | 1,199,713,740 |
| HSCEI ETF | 2828 | 788,018,148 | 687,756 | 788,705,904 |
| LI AUTO-W | 2015 | 396,563,510 | 322,705,120 | 719,268,630 |
| SMIC | 981 | 246,234,650 | 353,867,850 | 600,102,500 |
| MEITUAN-W | 3690 | 309,156,345 | 222,601,121 | 531,757,466 |
| CHINA MOBILE | 941 | 280,178,825 | 164,882,465 | 445,061,290 |
| INNOVENT BIO | 1801 | 109,729,600 | 218,657,244 | 328,386,844 |
| WUXI BIO | 2269 | 180,303,520 | 144,481,620 | 324,785,140 |

Sources: HKEx

Other Statistics

Ten Most Actively Traded Stocks

| Stock Name | Code | Change | Closed Price | Turnover(Billion) |
|--------------|------|---------|--------------|-------------------|
| TRACKER FUND | 2800 | -2.28% | 16.71 | 189.34 |
| TENCENT | 700 | -0.82% | 288.80 | 75.79 |
| HSCEI ETF | 2828 | -2.64% | 58.20 | 46.80 |
| CNOOC | 883 | -2.74% | 17.72 | 41.57 |
| MEITUAN-W | 3690 | -4.39% | 88.25 | 35.92 |
| BABA-SW | 9988 | -2.14% | 71.00 | 33.04 |
| PING AN | 2318 | -5.78% | 33.45 | 32.43 |
| LI AUTO-W | 2015 | -10.88% | 120.40 | 24.74 |
| CSOP HS TECH | 3033 | -3.31% | 3.39 | 22.57 |
| CHINA MOBILE | 941 | 0.60% | 67.25 | 19.67 |

Ten Short Sell Stocks

| Stock Name | Code | Short Sell Amount | Turnover | Short Sell Ratio |
|---------------|----------|-------------------|----------|------------------|
| TRACKER FUND | 02800.HK | 14.16B | 18.93B | 74.77% |
| HSCEI ETF | 02828.HK | 1.95B | 4.68B | 41.57% |
| TENCENT | 00700.HK | 1.63B | 7.58B | 21.53% |
| MEITUAN-W | 03690.HK | 1.09B | 3.59B | 30.42% |
| PING AN | 02318.HK | 995.88M | 3.24B | 30.71% |
| XL2CSOPHSTECH | 07226.HK | 835.28M | 1.70B | 49.21% |
| BABA-SW | 09988.HK | 715.73M | 3.30B | 21.66% |
| CNOOC | 00883.HK | 700.53M | 4.16B | 16.85% |
| CSOP HS TECH | 03033.HK | 663.28M | 2.26B | 29.38% |
| BANK OF CHINA | 03988.HK | 580.07M | 1.42B | 40.96% |

Source: AA Stocks

Economic Calendars

| Date | Country | Event | Survey | Prior |
|------|-----------|---|--------|--------|
| Mon | US | Feb. New Home Sales | 675k | 661k |
| Tue | US | Feb. Durable Good Orders | 1.4% | -6.2% |
| | | Mar. Conference Board Consumer Confidence | 107.0 | 106.7 |
| Wed | China | Feb. Industrial Profit YTD (YoY) | | -2.3% |
| Thu | US | Initial Jobless Claims (Till Mar 23) | | 210k |
| | | Continuing Jobless Claims (Till Mar 16) | | 1,807k |
| | | 4Q. GDP (QoQ) | 3.2% | 3.2% |
| | Hong Kong | Mar. University of Michigan Sentiment | 76.6 | 76.5 |
| Fri | US | Feb. Personal Income | 0.4% | 1.0% |
| | | Feb. Personal Spending | 0.5% | 0.2% |
| | | Feb. PCE Deflator (MoM) | 0.4% | 0.3% |
| | | Feb. PCE Deflator (YoY) | 2.5% | 2.4% |
| | | Market will close (Good Friday) | | |
| | Hong Kong | HK Stock Connect Closed | | |
| | | Market will close (Good Friday) | | |

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