



Major Market Indicators

	26 Mar	25 Mar	22 Mar
Mkt. Turn.(mn)	108,700	112,700	135,700
Stock Advances	688	692	462
Stock Declines	894	909	1,146
HSI	16,618	16,474	16,499
Change	+145	-26	-364

HSI Technical Indicators

10-days MA	16,703
50-days MA	16,205
250-days MA	17,993
14-days RSI	51.86
Primary resistance	16,800
Primary support	16,400

HSCEI Technical Indicators

10-days MA	5,834
50-days MA	5,541
250-days MA	6,139
14-days RSI	55.39
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

The U.S. Conference Board consumer confidence index fell to 104.7 in March from a revised 104.8, the lowest since November 2023. Meanwhile, U.S. durable goods orders rose for the first time in three months. Data from the Commerce Department on Tuesday showed bookings for all durable goods - items expected to last at least three years - rose 1.4% after a 6.9% decline in January. Bloomberg forecast a median increase of 1%. Looking ahead, markets are awaiting further comments from Fed officials as well as a key inflation report later this week.

Hong Kong Stock Connect had a net inflow of HK4.52bn on Tuesday, of which CSOP HS TECH (3033) had the largest net inflow, reaching HK\$0.81bn; followed by Tencent (700). Meituan (3690) recorded the largest net outflow at HK\$0.31bn, followed by Yankuang (1171).

Daily Focus

Tencent(700): Moat remains

- Tencent 4Q23 revenue amounted to RMB155.2bn, increased 7% yoy and 0.4% qoq, slightly missed market expectation. But net profit comes at RMB42.6bn, matched market expectation. In terms of segment business, the value-added service revenue was at RMB69.1bn, fell by 2% yoy. The international market games were higher than expected, while the local market games were lower than expected. The latter was mainly affected by the reduced contribution of "Honor of Kings" and "Peacekeeper Elite". Meanwhile, the growth rates of the other two business segments were significantly better. Revenue from the online advertising business during the period increased by 21% yoy to RMB29.8bn, which was better than expected,
- propelled by advertising demand for Video Accounts, as well as the ongoing upgrade of its advertising platform. All categories except for automotive saw a year-on-year increase in advertising spending with the Tencent, with particularly notable growth in Internet services, healthcare and consumer goods categories. Revenue from FinTech and Business Services also increased by 15% to RMB 54.4bn, but was slightly lower than expected. During the period, gross profit margin increased by 7 percentage points year-on-year to 50%, thanks to the revenue structure tilting towards high-margin businesses and cost control. In the medium to long term, Tencent's moat remains, and its gross profit margin expansion is also a catalyst.

Tencent(700): Info	
Closed price	299.4
FY24 P/E (X)	14.39
FY24 Dividend yield (%)	1.16
52 week high	397.6
52 week low	260.2
14 RSI	61.99

Analyst: Cynthia Tam

Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
Balance (RMB bn)	48.31	48.20	77.68
Balance as % of Quota Amount	92.9	92.7	92.5

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
TENCENT	700	1,526,573,900	1,068,577,288	2,595,151,188
XIAOMI-W	1810	392,018,336	339,220,507	731,238,843
CHINA MOBILE	941	317,446,450	225,714,525	543,160,975
ANTA SPORTS	2020	226,662,120	299,831,600	526,493,720
CSOP HS TECH	3033	490,880,930	5,178,745	496,059,675
MEITUAN-W	3690	224,474,335	250,324,245	474,798,580
CNOOC	883	247,047,300	199,792,240	446,839,540
BANK OF CHINA	3988	262,792,570	44,013,120	306,805,690
LI AUTO-W	2015	209,085,050	78,555,920	287,640,970
HSBC HOLDINGS	5	70,793,060	175,850,601	246,643,661

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	659,280,040	671,676,324	1,330,956,364
MEITUAN-W	3690	178,007,760	470,810,383	648,818,143
XIAOMI-W	1810	426,304,020	155,757,224	582,061,244
CNOOC	883	270,208,760	249,460,120	519,668,880
YANKUANG ENERGY	1171	105,558,320	282,084,240	387,642,560
LI AUTO-W	2015	203,665,780	151,389,160	355,054,940
CSOP HS TECH	3033	343,222,513	9,511,237	352,733,750
PETROCHINA	857	249,445,260	8,023,440	257,468,700
ICBC	1398	158,391,470	72,352,300	230,743,770
CHINA MOBILE	941	123,456,100	59,909,373	183,365,473

Sources: HKEx

Other Statistics

Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover(Billion)
TENCENT	700	3.74%	299.40	100.47
HSCEI ETF	2828	1.48%	59.00	48.14
AIA	1299	-1.00%	54.25	41.30
TRACKER FUND	2800	0.96%	16.84	40.77
MEITUAN-W	3690	0.11%	93.40	33.63
BABA-SW	9988	0.00%	70.30	32.87
XIAOMI-W	1810	3.24%	15.30	22.47
CSOP HS TECH	3033	0.89%	3.40	20.94
ANTA SPORTS	2020	3.15%	83.55	15.56
HSBC HOLDINGS	5	0.90%	61.75	14.76

Ten Short Sell Stocks

Stock Name	Code	Short Sell Amount	Turnover	Short Sell Ratio
HSCEI ETF	02828.HK	1.45B	4.81B	30.11%
TENCENT	00700.HK	1.38B	10.05B	13.75%
MEITUAN-W	03690.HK	755.45M	3.36B	22.46%
AIA	01299.HK	593.32M	4.13B	14.37%
XIAOMI-W	01810.HK	453.60M	2.25B	20.18%
BANK OF CHINA	03988.HK	424.25M	1.19B	35.80%
BABA-SW	09988.HK	415.71M	3.29B	12.65%
BYD COMPANY	01211.HK	405.25M	1.35B	30.03%
ANTA SPORTS	02020.HK	399.77M	1.56B	25.69%
XI2CSOPHSTECH	07552.HK	337.20M	763.34M	44.17%

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)		

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.