

Major Market Indicators

	27 Mar	26 Mar	25 Mar
Mkt. Turn.(mn)	115,600	108,700	112,700
Stock Advances	616	688	692
Stock Declines	1,029	894	909
HSI	16,393	16,618	16,474
Change	-225	+145	-26

HSI Technical Indicators

10-days MA	16,634
50-days MA	16,209
250-days MA	17,981
14-days RSI	47.28
Primary resistance	16,600
Primary support	16,200

HSCEI Technical Indicators

10-days MA	5,813
50-days MA	5,547
250-days MA	6,135
14-days RSI	50.12
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

Energy stocks rose, but gains were limited as oil prices fell after industry data showed a sharp build in U.S. crude inventories last week. Data from the U.S. Energy Information Administration (EIA) showed that inventories increased by 3.2 million barrels in the week ended March 22, exceeding expectations for a decrease of 700,000 barrels. However, JPMorgan Chase expects Brent crude oil prices to rise to \$100 a barrel this year without countermeasures to balance Russia's decision to cut production.

Hong Kong Stock Connect had a net inflow of HK\$6.56bn on Wednesday, of which Tencent (700) had the largest net inflow, reaching HK\$0.87bn; followed by Tracker Fund (2800). Yankuang (1171) recorded the largest net outflow at HK\$0.31bn, followed by SMIC (981).

Daily Focus

China Mobile (941): high growth visibility and attractive dividends

- 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.
- 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 telecommunications stocks to continue to increase their dividend payout ratios in the future.
- China Mobile is a pick with high growth visibility and attractive dividends.

China Mobile (941): Info	
Closed price	67.1
FY24 P/E (X)	9.43
FY24 Dividend yield (%)	7.76
52 week high	70.2
52 week low	60.9
14 RSI	53.67

Analyst: Cynthia Tam

Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
Balance (RMB bn)	52.88	56.59	75.86
Balance as % of Quota Amount	101.7	108.8	90.3

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
TENCENT	700	1,771,133,000	1,086,803,900	2,857,936,900
XIAOMI-W	1810	504,915,832	279,775,588	784,691,420
CNOOC	883	292,150,340	355,560,200	647,710,540
TRACKER FUND	2800	411,370,315	138,873,450	550,243,765
BANK OF CHINA	3988	529,601,030	20,481,680	550,082,710
CHINA MOBILE	941	246,968,800	170,442,375	417,411,175
WUXI BIO	2269	209,440,170	140,841,150	350,281,320
SMIC	981	130,663,990	212,233,630	342,897,620
MEITUAN-W	3690	204,657,855	132,362,604	337,020,459
CCB	939	237,451,610	24,527,430	261,979,040

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	950,806,900	758,769,736	1,709,576,636
TRACKER FUND	2800	578,856,855	184,250	579,041,105
XIAOMI-W	1810	342,520,608	137,120,256	479,640,864
CNOOC	883	241,467,240	200,731,804	442,199,044
MEITUAN-W	3690	117,111,175	189,422,625	306,533,800
SMIC	981	127,083,010	169,747,272	296,830,282
LI AUTO-W	2015	142,922,980	143,016,830	285,939,810
CHINA MOBILE	941	190,204,725	55,020,391	245,225,116
YANKUANG ENERGY	1171	46,413,400	188,818,140	235,231,540
WUXI BIO	2269	120,040,480	87,083,620	207,124,100

Sources: HKEx

Other Statistics

Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover(Billion)
TENCENT	700	0.87%	302.00	117.68
TRACKER FUND	2800	-1.31%	16.62	84.19
BABA-SW	9988	-2.13%	68.80	45.47
BYD COMPANY	1211	-6.11%	202.80	42.48
HSCEI ETF	2828	-1.90%	57.88	39.19
AIA	1299	-3.13%	52.55	35.75
MEITUAN-W	3690	-2.46%	91.10	30.05
XIAOMI-W	1810	-3.53%	14.76	21.66
HSBC HOLDINGS	5	-1.05%	61.10	15.50
HKEX	388	-1.80%	228.80	14.89

Ten Short Sell Stocks

Stock Name	Code	Short Sell Amount	Turnover	Short Sell Ratio
TRACKER FUND	02800.HK	2.88B	8.42B	34.26%
TENCENT	00700.HK	1.75B	11.77B	14.90%
BYD COMPANY	01211.HK	1.75B	4.25B	41.17%
BABA-SW	09988.HK	824.98M	4.55B	18.15%
MEITUAN-W	03690.HK	688.97M	3.01B	22.93%
XIAOMI-W	01810.HK	596.90M	2.17B	27.56%
HSBC HOLDINGS	00005.HK	459.18M	1.55B	29.62%
HSCEI ETF	02828.HK	444.87M	3.92B	11.35%
AIA	01299.HK	429.74M	3.57B	12.02%
XL2CSOPHSTECH	07226.HK	402.40M	844.53M	47.65%

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.