

## Major Market Indicators

	22 Jan	19 Jan	18 Jan
Mkt. Turn.(mn)	112,200	96,900	107,400
Stock Advances	290	551	938
Stock Declines	1,433	1,029	619
HSI	14,961	15,309	15,392
Change	-348	-83	+115

## HSI Technical Indicators

10-days MA	14,920
50-days MA	15,205
250-days MA	15,884
14-days RSI	40.14
Primary resistance	15,200
Primary support	14,800

## HSCEI Technical Indicators

10-days MA	4,991
50-days MA	5,092
250-days MA	5,345
14-days RSI	39.40
Primary resistance	5,200
Primary support	4,800

## Stock Pick

### China Mobile (941)

**Target: \$74**

**Stop loss: \$56**

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. China Mobile is a pick with high growth visibility and attractive dividends.

### Lenovo (992)

**Target: \$10.8**

**Stop loss: \$9**

IDC report earlier pointed out that global PC shipments will resume positive growth in 2024. One of the important factors is that the development of AI has attracted market attention, and this year's technological progress in commercial computers and gaming computers will drive PC sales performance. We are positive towards Lenovo. The company has a leading position in the global PC market and can revolutionize the industry in the AI PC cycle.

### CKI (1038)

**Target: \$50**

**Stop loss: \$37**

The Group has diversified investments in Energy Infrastructure, Transportation Infrastructure, Water Infrastructure, Waste Management, Waste-to-energy, Household Infrastructure and Infrastructure Related Businesses. Its investments and operations span Hong Kong, Mainland China, the United Kingdom, Continental Europe, Australia, New Zealand, Canada and the United States. Most of the profit of the Company comes from overseas, and therefore can benefit from the USD softness when the rate hike cycle ends. In addition, financial costs can also be reduced if interest rates are cut next year. The Group currently has HKD12bn cash and is therefore well positioned to look for new opportunities.

## Market Overview

Important economic data will be released this week, which may affect the U.S. Federal Reserve's interest rate decision next week. The latest data on the economy's growth trajectory is due on Wednesday, with fourth-quarter GDP data to be released. Following growth of 4.9% in the previous quarter, GDP growth is expected to reach 2.0% in the fourth quarter. Meanwhile, key U.S. inflation data on Thursday will provide new insights into progress towards the Federal Reserve's 2% target, with many now changing expectations for a rate cut in March. The chances of the Federal Reserve cutting interest rates in March have dropped to 50% from less than 80% a week ago, after a series of improving retail sales and consumer confidence data.

Hong Kong Stock Connect had a net inflow of HK\$0.65bn on Monday, of which Meituan (3690) had the largest net inflow, reaching HK\$0.35bn; followed by CM Bank (3968). Tencent (700) recorded the largest net outflow at HK\$0.21bn, followed by China Mobile (941).

## Daily Focus

### Lenovo (992): revolutionize the industry in the AI PC cycle

- IDC report earlier pointed out that global PC shipments will resume positive growth in 2024. One of the important factors is that the development of AI has attracted market attention, and this year's technological progress in commercial computers and gaming computers will drive PC sales performance.
- Lenovo, recently launched its AI PC at the CES exhibition, has become the focus of the market.
- We are positive towards Lenovo, as the inventories of the PC industry have been cleared and thereafter the fundamentals are gradually improving. The operating profit margin of the company's IDG segment rose to 7.4% in 2Q23, close to a record high. The company has a leading position in the global PC market and can revolutionize the industry in the AI PC cycle.

Lenovo (992): Info	
Closed price	9.82
FY24 P/E (X)	15.51
FY24 Dividend yield (%)	3.26
52 week high	11.1
52 week low	6.17
14 RSI	44.33

Analyst: Cynthia Tam

## Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
<b>Balance (RMB bn)</b>	50.72	51.23	81.87
<b>Balance as % of Quota Amount</b>	97.5	98.5	97.5

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
TENCENT	700	780,879,280	1,169,119,867	1,949,999,147
MEITUAN-W	3690	723,745,550	395,474,077	1,119,219,627
CHINA MOBILE	941	302,222,875	285,380,725	587,603,600
CNOOC	883	215,917,800	169,219,640	385,137,440
SMIC	981	215,267,950	164,372,224	379,640,174
CM BANK	3968	236,111,125	80,606,950	316,718,075
LI NING	2331	139,800,260	172,417,630	312,217,890
PING AN	2318	204,352,300	68,013,125	272,365,425
LI AUTO-W	2015	58,894,590	196,923,970	255,818,560
XPENG-W	9868	49,609,590	194,401,318	244,010,908

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	699,633,560	523,697,453	1,223,331,013
MEITUAN-W	3690	455,047,810	432,856,731	887,904,541
CHINA MOBILE	941	77,831,450	255,418,730	333,250,180
CNOOC	883	61,638,440	236,876,852	298,515,292
WUXI BIO	2269	76,958,500	173,650,275	250,608,775
SMIC	981	115,938,020	125,501,250	241,439,270
XIAOMI-W	1810	95,022,208	125,045,240	220,067,448
KINGDEE INT'L	268	88,506,360	116,389,360	204,895,720
NAYUKI	2150	98,651,050	95,913,480	194,564,530
KEYMED BIO-B	2162	61,299,575	132,820,012	194,119,587

Sources: HKEx

## Other Statistics

### Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover(Billion)
TENCENT	700	-3.32%	262.20	88.81
TRACKER FUND	2800	-2.14%	15.11	61.93
BABA-SW	9988	-0.15%	65.45	48.51
MEITUAN-W	3690	-4.73%	65.40	40.00
CSOP HS TECH	3033	-3.06%	2.97	28.55
BYD COMPANY	1211	-2.40%	190.90	20.70
HSCEI ETF	2828	-2.43%	50.60	19.35
HKEX	388	-3.48%	221.60	18.56
PING AN	2318	-1.81%	29.80	17.04
AIA	1299	-2.23%	59.10	15.95

## Ten Short Sell Stocks

Stock Name	Code	Short Sell Amount	Turnover	Short Sell Ratio
TRACKER FUND	02800.HK	2.31B	6.19B	37.23%
CSOP HS TECH	03033.HK	2.02B	2.85B	70.85%
TENCENT	00700.HK	1.19B	8.88B	13.40%
MEITUAN-W	03690.HK	1.06B	4.00B	26.60%
BYD COMPANY	01211.HK	963.72M	2.07B	46.56%
BABA-SW	09988.HK	862.03M	4.85B	17.77%
HKEX	00388.HK	512.59M	1.86B	27.62%
XL2CSOPHSTECH	07226.HK	488.07M	1.00B	48.78%
CCB	00939.HK	412.24M	1.45B	28.33%
HSBC HOLDINGS	00005.HK	392.14M	952.29M	41.18%

Source: AA Stocks

## Economic Calendars

Date	Country	Event	Survey	Prior
Mon	China	5-Year Loan Prime Rate	4.20%	4.20%
	Euro Zone	1-Year Loan Prime Rate	3.45%	3.45%
Tue	US	3M (MMM), Johnson & Johnson (JNJ), Netflix (NFLX) Results		
	Japan	BOJ Monetary Policy Meeting		
Wed	US	Jan. S&P Global Manufacturing PMI	48.0	47.9
		Jan. S&P Global Services PMI	51.0	51.4
	Euro Zone	Abbott Laboratories (ABT), ASML (ASML), AT&T (T), Tesla (TSLA) Results		
		Jan. HCOB Manufacturing PMI		44.4
	Euro Zone	Jan. HCOB Services PMI		48.8
		Hong Kong	New Oriental Education & Technology (9901) Result	
Thu	US	Initial Jobless Claims (Till Jan 20)		187k
		Continuing Jobless Claims (Till Jan 13)		1,806k
		4Q. GDP Annualized (QoQ)	1.9%	4.9%
		Dec. Retail Inventories (MoM)		-0.1%
		Dec. Durable Goods Orders (Ex Transportation)	0.2%	0.4%
		Dec. New Home Sales	650k	590k
	Euro Zone	Blackstone (BX), Comcast (CMCSA), Intel (INTC), Visa (V) Results		
		ECB Monetary Policy Meeting		
Fri	US	Dec. Personal Income	0.3%	0.4%
		Dec. Personal Spending	0.4%	0.2%
		Dec. PCE Deflator (MoM)	0.2%	-0.1%

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