

### Major Market Indicators

	30 Jan	29 Jan	26 Jan
Mkt. Turn.(mn)	94,900	100,100	131,600
Stock Advances	393	807	546
Stock Declines	1,196	780	1,025
HSI	15,703	16,007	15,952
Change	-374	+125	-260

### HSI Technical Indicators

10-days MA	15,735
50-days MA	15,929
250-days MA	15,658
14-days RSI	35.44
Primary resistance	15,800
Primary support	15,400

### HSCEI Technical Indicators

10-days MA	5,284
50-days MA	5,354
250-days MA	5,259
14-days RSI	36.94
Primary resistance	5,600
Primary support	5,200

## Stock Pick

### Tencent (700)

**Target: \$400**

**Stop loss: \$258**

Tencent achieved notable margin expansion, favored by the relatively new services such as Video Accounts and Mini Games which contributed high margin revenue streams. Meanwhile, the AI development of the Company is creating new growth opportunities and enriching its ecosystem.

### China Telecom (728)

**Target: \$5**

**Stop loss: \$3.6**

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. China Telecom, as well as other SOEs, responded in affirmation. 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. We see this as a catalyst for China Telecom.

### NetEase (9999):

**Target: \$183**

**Stop loss: \$131**

NetEase's net revenue increased 11.6% yoy to RMB27.3bn in 3Q23. Revenue from games and related value-added services was RMB21.8bn, a yoy increase of 16.5%. Gross profit margin and operating profit margin increased steadily. Non-GAAP net profit was RMB8.64bn, a yoy increase of 15.7%. NetEase's gaming division performed well in the third quarter, with gross profit margin reaching 69%, thanks to contributions from Justice mobile.

## Market Overview

The U.S. Department of Labor's latest Job Openings and Labor Turnover Survey showed that job openings climbed to 9.026 million in December, higher than economists' estimates of 8.75 million. In signs of continued strength in the job market, data showed consumer confidence jumped to a two-year high. The two reports showed a strengthening economy, pushing two-year Treasury yields higher as investors bet the data could support the Federal Reserve's policy of keeping interest rates high for an extended period.

Hong Kong Stock Connect had a net outflow of HK\$0.86bn on Tuesday, of which WuxiBio (2269) had the largest net inflow, reaching HK\$0.20bn; followed by Meituan (3690). Tracker Fund (2800) recorded the largest net outflow at HK\$0.66bn, followed by Tencent (700).

## Daily Focus

### CKI (1038): Core business diversified globally; dividend yield attractive

- 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.
- The Group's financial position continued to be strong in 2023, with cash on hand of HKD12 billion and a net debt to net total capital of 9% as at 30th June, 2023. The company, together with other strategic partners within the CK Group, including CK Asset and Power Assets, who are also very solid in their financials, are well placed to capitalize on investment opportunities, whether in its existing industries or new ones, as they arise around the global.
- The Company has declared an interim dividend for 2023 of HK\$0.71 per share (2022: HK\$0.70 per share), representing 1.4% growth over the corresponding period in 2022. The stock's DPS has risen modestly every year, which is somewhat attractive given that the interest rate hike cycle will soon be over.

CKI (1038): Info	
Closed price	46.1
FY24 P/E (X)	13.78
FY24 Dividend yield (%)	5.62
52 week high	47.3
52 week low	35.2
14 RSI	68.8

Analyst: Cynthia Tam

## Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
<b>Balance (RMB bn)</b>	48.68	52.08	83.47
<b>Balance as % of Quota Amount</b>	93.6	100.2	99.4

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
TENCENT	700	322,819,540	667,576,940	990,396,480
CNOOC	883	271,145,800	303,912,460	575,058,260
WUXI BIO	2269	268,057,725	158,439,992	426,497,717
SMIC	981	171,411,100	242,804,810	414,215,910
MEITUAN-W	3690	217,146,060	183,471,071	400,617,131
CHINA SHENHUA	1088	103,639,575	243,354,275	346,993,850
TRACKER FUND	2800	10,966,085	299,233,700	310,199,785
ICBC	1398	88,022,910	194,613,570	282,636,480
CCB	939	110,071,100	151,540,700	261,611,800
CHINA MOBILE	941	190,124,150	59,962,650	250,086,800

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	443,184,440	467,750,240	910,934,680
TRACKER FUND	2800	48,361,180	426,738,730	475,099,910
MEITUAN-W	3690	267,656,335	159,166,960	426,823,295
CHINA MOBILE	941	151,960,550	232,919,175	384,879,725
CNOOC	883	111,797,100	256,134,700	367,931,800
TONGRENTANGCM	3613	166,966,730	158,624,790	325,591,520
WUXI BIO	2269	191,952,575	94,798,075	286,750,650
SMIC	981	98,048,580	184,802,280	282,850,860
KUAISHOU-W	1024	46,312,310	185,414,170	231,726,480
PING AN	2318	47,605,325	131,958,076	179,563,401

Sources: HKEx

## Other Statistics

### Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover(Billion)
TENCENT	700	-2.91%	273.80	59.13
TRACKER FUND	2800	-2.47%	15.83	39.61
BYD COMPANY	1211	-4.41%	177.90	32.57
BABA-SW	9988	-2.00%	71.15	28.44
WUXI BIO	2269	-3.46%	22.35	21.46
AIA	1299	-4.32%	62.00	20.45
MEITUAN-W	3690	-2.82%	65.40	19.02
CCB	939	-0.85%	4.65	15.46
PING AN	2318	-3.99%	32.50	15.27
NTES-S	9999	-4.39%	152.50	14.77

## Ten Short Sell Stocks

Stock Name	Code	Short Sell Amount	Turnover	Short Sell Ratio
BYD COMPANY	01211.HK	942.42M	3.26B	28.94%
TENCENT	00700.HK	828.97M	5.91B	14.02%
CSOP HS TECH	03033.HK	789.62M	1.25B	63.15%
TRACKER FUND	02800.HK	739.61M	3.96B	18.67%
PING AN	02318.HK	488.50M	1.53B	31.98%
CCB	00939.HK	443.90M	1.55B	28.72%
AIA	01299.HK	418.09M	2.05B	20.44%
BABA-SW	09988.HK	397.02M	2.84B	13.96%
HKEX	00388.HK	387.92M	1.24B	31.21%
XIAOMI-W	01810.HK	375.08M	1.07B	35.05%

Source: AA Stocks

## Economic Calendars

Date	Country	Event	Survey	Prior
Tue	US	Jan. Conference Board Consumer Confidence	112.5	110.7
		Dec. JOLTS Job Openings		8,790k
		Alphabet A (GOOGL), AMD (AMD), Microsoft (MSFT), Pfizer (PFE), Starbucks (SBUX) Results		
		Euro Zone 4Q. GDP SA (YoY)		0.0%
Wed	US	Jan. ADP Employment Change	150k	164k
		Boeing (BA), MasterCard (MA), Nasdaq (NDAQ), QUALCOMM (QCOM) Results		
		China Jan. Manufacturing PMI		49.0
		Jan. Non-manufacturing PMI		50.4
Thu	US	FOMC Monetary Meeting (Announce in early morning on 1 Feb in HKT)		
		Initial Jobless Claims (Till Jan 27)		214k
		Continuing Jobless Claims (Till Jan 20)		1,833k
		4Q. Nonfarm Productivity	1.6%	5.2%
		Amazon (AMZN), Apple (AAPL), Facebook (META) Results		
		Euro Zone Jan. CPI Estimate (YoY)	2.8%	
Fri	US	China Jan. Caixin Manufacturing PMI		50.8
		Jan. Change in Nonfarm Payrolls	185k	216k
		Jan. Unemployment Rate	3.7%	3.7%
		Jan. Average Hourly Earnings (MoM)	0.3%	0.4%
		Jan. University of Michigan Sentiment	78.8	78.8
		ExxonMobil (XOM) Result		

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