

Major Market Indicators

	1 Feb	31 Jan	30 Jan
Mkt. Turn.(mn)	94,900	98,800	94,900
Stock Advances	826	459	393
Stock Declines	698	1,072	1,196
HSI	15,566	15,485	15,703
Change	+81	-218	-374

HSI Technical Indicators

10-days MA	15,571
50-days MA	15,582
250-days MA	15,610
14-days RSI	46.92
Primary resistance	15,800
Primary support	15,400

HSCEI Technical Indicators

10-days MA	5,226
50-days MA	5,230
250-days MA	5,240
14-days RSI	47.17
Primary resistance	5,600
Primary support	5,200

Stock Pick

Tencent (700)

Target: \$400	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.
Stop loss: \$258	

China Telecom (728)

Target: \$5	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.
Stop loss: \$3.6	

NetEase (9999):

Target: \$183	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.
Stop loss: \$131	

Market Overview

In the week ended January 27, initial jobless claims rose to 224,000 in the week ended Jan. 27, higher than the upwardly revised 215,000, the highest level since mid-November last year. The next day, the United States will release non-farm payroll data, which is expected to show a decline in the number of new jobs created last month.

Hong Kong Stock Connect had a net outflow of HK\$1.34bn on Thursday, of which CNOOC (883) had the largest net inflow, reaching HK\$0.19bn; followed by Shenhua (1088). Tencent (700) recorded the largest net outflow at HK\$0.40bn, followed by Meituan (3690).

Daily Focus

Trip.com (9961): outbound travel demand continues to grow

- Trip.com reported that the number of New Year's holiday travel bookings in Mainland China surged 168% year-on-year, while the number of outbound travel orders leapfrogged 388%. In terms of travel spending in high-end resort hotels and self-booked tours, the average per capita spending of tourists soared by varying degrees. As a recap of Trip.com's 3Q23 result, its quarter revenue was RMB13.75bn, up 99.4% yoy and 22.1% qoq. Adjusted net profit was RMB4.89bn, up 3.7 times yoy and 42.6% qoq. The third quarter spans the summer vacation period, which is the traditional peak tourism season, therefore recorded strong growth. Domestic tourism business continues to recover, with domestic hotel bookings increased by more than 70% compared to the pre-covid level for the same period in 2019. The outbound hotel and air reservations recovered to around 80% of the pre-COVID level for the same period in 2019, rising from the 60% in the previous quarter, and recorded a faster-than-peers recovery rate.
- As international flights gradually resume, Trip.com will continue to benefit from the industry recovery. Recent platform data shows that both domestic and foreign travel demand remains resilient. Trip.com's travel booking growth in the Asia-Pacific region is likely to be led by Singapore, Macau, Hong Kong and South Korea, as data shows the number of flights to these destinations is recovering faster than the overall average.

Trip.com (9961): Info	
Closed price	289.2
FY24 P/E (X)	15.73
FY24 Dividend yield (%)	0.09
52 week high	330.2
52 week low	240.6
14 RSI	54.2

Analyst: Cynthia Tam

Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
Balance (RMB bn)	50.03	49.62	83.87
Balance as % of Quota Amount	96.2	95.4	99.8

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
TENCENT	700	568,384,880	637,707,860	1,206,092,740
CNOOC	883	460,913,100	338,692,160	799,605,260
MEITUAN-W	3690	215,014,505	343,925,297	558,939,802
WUXI BIO	2269	193,411,700	143,792,750	337,204,450
CCB	939	153,968,260	151,277,100	305,245,360
CHINA SHENHUA	1088	143,685,975	134,640,400	278,326,375
CHINA MOBILE	941	110,418,875	119,605,950	230,024,825
EAST BUY	1797	100,252,675	121,012,710	221,265,385
KINGKEY FIN INT	1468	132,179,000	85,311,650	217,490,650
PETROCHINA	857	137,759,900	77,637,260	215,397,160

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	229,295,220	565,814,000	795,109,220
CNOOC	883	276,037,860	199,134,296	475,172,156
MEITUAN-W	3690	199,137,835	247,127,738	446,265,573
WUXI BIO	2269	110,052,925	123,022,550	233,075,475
KUAISHOU-W	1024	151,951,865	73,684,180	225,636,045
CHINA SHENHUA	1088	194,336,725	23,398,400	217,735,125
LI AUTO-W	2015	87,214,920	129,237,223	216,452,143
CHINA MOBILE	941	78,137,375	134,994,700	213,132,075
HUANENG POWER	902	72,936,140	85,747,040	158,683,180
XIAOMI-W	1810	52,407,136	106,199,152	158,606,288

Sources: HKEx

Other Statistics

Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover(Billion)
TRACKER FUND	2800	0.77%	15.74	71.87
TENCENT	700	0.37%	271.60	47.21
BABA-SW	9988	2.16%	71.05	35.85
HSCEI ETF	2828	0.84%	52.86	22.72
MEITUAN-W	3690	2.48%	64.10	20.50
BYD COMPANY	1211	0.57%	175.30	17.26
AIA	1299	0.33%	61.15	15.53
CNOOC	883	-0.97%	14.32	14.36
CSOP HS TECH	3033	2.25%	3.01	13.76
CCB	939	-0.43%	4.62	13.73

Ten Short Sell Stocks

Stock Name	Code	Short Sell Amount	Turnover	Short Sell Ratio
TRACKER FUND	02800.HK	4.82B	7.19B	67.02%
CSOP HS TECH	03033.HK	1.01B	1.38B	73.20%
HSCEI ETF	02828.HK	792.04M	2.27B	34.86%
BABA-SW	09988.HK	677.97M	3.59B	18.91%
TENCENT	00700.HK	460.41M	4.72B	9.75%
MEITUAN-W	03690.HK	426.29M	2.05B	20.79%
XI2CSOPHSTECH	07552.HK	407.78M	952.97M	42.79%
BYD COMPANY	01211.HK	406.53M	1.73B	23.55%
ANTA SPORTS	02020.HK	324.50M	1.09B	29.65%
CCB	00939.HK	319.91M	1.37B	23.30%

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
Thu	US	Jan. Non-manufacturing PMI		50.4
		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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