

Major Market Indicators

	9 Feb	8 Feb	7 Feb
Mkt. Turn.(mn)	31,300	77,700	103,600
Stock Advances	524	916	701
Stock Declines	746	614	822
HSI	15,747	15,878	16,082
Change	-131	-204	-55

HSI Technical Indicators

10-days MA	15,661
50-days MA	15,942
250-days MA	15,846
14-days RSI	44.52
Primary resistance	15,800
Primary support	15,400

HSCEI Technical Indicators

10-days MA	5,275
50-days MA	5,377
250-days MA	5,334
14-days RSI	44.44
Primary resistance	5,600
Primary support	5,200

Stock Pick

PetroChina (857)

Target: \$7

Stop loss: \$5

Geopolitical tensions remain a key issue in 2024. Meanwhile, oil sector can be benefited from the market value management of SOEs. 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. Bloomberg predicts PetroChina to have a dividend yield of approx. 8% in 2024, showing the investment value of the stock.

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.

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 consumer price index rose 0.3% in January from December. CPI was up 3.1% on an annual basis. Economists polled by Dow Jones expected CPI to have increased by 0.2% month over month in January and 2.9% from a year earlier. Excluding volatile food and energy prices, the so-called core CPI accelerated 0.4% in January and was up 3.9% from a year ago, unchanged from December. The forecast had been for 0.3% and 3.7%, respectively. Shelter prices accounted for much of the rise, climbing 0.6% on the month, contributing more than two-thirds of the headline increase. On a 12-month basis, shelter rose 6%.

Daily Focus

China Mobile (941): a pick with 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	66.4
FY24 P/E (X)	9.05
FY24 Dividend yield (%)	7.89
52 week high	70.2
52 week low	56.0
14 RSI	54.2

Analyst: Cynthia Tam

Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
Balance (RMB bn)	-	-	-
Balance as % of Quota Amount	-	-	-

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
Market Closed				

Sources: HKEx

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
Market Closed				

Sources: HKEx

Other Statistics

Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover(Billion)
BABA-SW	9988	-1.42%	69.30	28.90
TENCENT	700	0.00%	287.20	19.14
TRACKER FUND	2800	-0.88%	15.86	12.63
PING AN	2318	-2.52%	32.95	7771.18
BYD COMPANY	1211	-0.65%	182.90	6688.48
AIA	1299	-0.16%	62.80	6272.45
HSCEI ETF	2828	-1.03%	53.66	5868.57
HSBC HOLDINGS	5	-0.49%	61.35	5115.86
MEITUAN-W	3690	-1.25%	67.30	4846.16
CCB	939	-0.65%	4.61	4796.33

Ten Short Sell Stocks

Stock Name	Code	Short Sell Amount	Turnover	Short Sell Ratio
TENCENT	00700.HK	448.43M	1.91B	23.43%
BABA-SW	09988.HK	407.01M	2.89B	14.08%
XL2CSOPHSTECH	07226.HK	255.88M	444.03M	57.63%
PING AN	02318.HK	249.75M	777.12M	32.14%
BYD COMPANY	01211.HK	202.86M	668.85M	30.33%
AIA	01299.HK	192.24M	627.25M	30.65%
FA CSOP BTC	03066.HK	181.11M	185.28M	97.75%
HSBC HOLDINGS	00005.HK	174.59M	511.59M	34.13%
XIAOMI-W	01810.HK	129.74M	330.76M	39.23%
CCB	00939.HK	123.35M	479.63M	25.72%

Source: AA Stocks

Economic Calendars

Date	Country	Event	Survey	Prior
Mon	China	Market will close (Spring Festival)		
	Hong Kong	HK Stock Connect Closed		
		Market will close (The Third day of Lunar New Year)		
Tue	US	Jan. CPI (MoM)	0.2%	0.3%
		Jan. CPI Ex Food and Energy (MoM)	0.3%	0.3%
		Jan. CPI (YoY)	2.9%	3.4%
		Airbnb (ABNB), Coca-Cola (KO) Results		
	China	Market will close (Spring Festival)		
Wed	Hong Kong	HK Stock Connect Closed		
		Market will close (The fourth day of Lunar New Year)		
	US	Cisco (CSCO), Equinix (EQIX) Results		
		Euro Zone	4Q. GDP SA (YoY)	
		Dec. Industrial Production SA (MoM)		-0.3%
Thu	China	Market will close (Spring Festival)		
		Hong Kong	HK Stock Connect Closed	
	US	Initial Jobless Claims (Till Feb 10)		218k
		Continuing Jobless Claims (Till Feb 3)		1,871k
		Jan. Retail Sales Ex Auto (MoM)	0.1%	0.4%
		Feb. Philadelphia Fed Business Outlook	-9.0	-10.6
	Euro Zone	Dec. Trade Balance SA		14.8b
	China	Market will close (Spring Festival)		
		Hong Kong	HK Stock Connect Closed	
	Fri	US	Jan. Building Permits	1,515k
Jan. Housing Starts			1,460k	1,460k
Jan. PPI (MoM)			0.1%	-0.1%
Jan. PPI (YoY)				1.0%
		Feb. University of Michigan Sentiment	79.0	79.0
China		Market will close (Spring Festival)		
Hong Kong	Sands (1928) Result			
	HK Stock Connect Closed			

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