

**Major Market Indicators**

	23 May	22 May	21 May
Mkt. Turn.(mn)	129,900	126,600	150,600
Stock Advances	406	954	462
Stock Declines	1,264	711	1,266
HSI	18,869	19,156	19,221
Change	-327	-25	-41

**HSI Technical Indicators**

10-days MA	19,154
50-days MA	17,424
250-days MA	17,642
14-days RSI	64.41
Primary resistance	19,000
Primary support	18,500

**HSCEI Technical Indicators**

10-days MA	6,789
50-days MA	6,135
250-days MA	6,058
14-days RSI	59.70
Primary resistance	6,800
Primary support	6,400

**Stock Pick**
**Kuaishou (1024)**
**Target: \$64**
**Stop loss: \$52**

Kuaishou's revenue and profit beat expectations. In 1Q24, total revenue of Kuaishou expanded by 16.6% yoy to RMB29.4bn. The average DAUs and MAUs on the Kuaishou App reached 394 million and 697million, representing yoy increases of 5.2% and 6.6%, respectively. During the period, Kuaishou further rolled out its new traffic recommendation mechanism to all users, aligning improvements in user experience with increased monetization efficiency. The smart marketing solution empowered marketing clients to improve their performances, attracting increased client budgets. The Company has steadily grown its e-commerce business with a dual-drive approach of live-streaming e-commerce and shelf- based e-commerce. The quarter result beat market expectation.

**BOC (3988)**
**Target: \$4.2**
**Stop loss: \$3.3**

The group's fundamentals are superior to those of its peers. Net interest income in 2023 was Rmb466.5bn, a YoY increase of 1.58%. The group's net interest margin was 1.59%, a YoY decrease of 16bps, but the decline in interest margin was smaller than that of its peers; PPOP reached Rmb401.2bn, an annual increase of 3.7%; net profit was Rmb231.9bn, exceeding market expectations and higher than the same period last year. Growth of 2.4% was higher than the 1.8% average annual growth for large banks in 2023. Overall, Bank of China's fundamentals are better than those of its peers. In 2023, its revenue growth rank first among the six major state-owned banks. In addition, the dividend rate is above 6%, which is attractive for long term investment.

**HKEX (388)**
**Target: \$310**
**Stop loss: \$260**

Recent initiatives announced by the China Securities Regulatory Commission, such as the expansion of eligible ETFs and the inclusion of Real Estate Investment Trusts in Stock Connect, the addition of RMB-denominated stocks in Southbound Stock Connect, as well as supporting leading Mainland companies to list in Hong Kong. Although these measures may not have a great impact in the short term, there maybe stimulating effect on the average daily trading volume when the market sentiment further improves.

**Market Overview**

The S&P Global PMI Composite Output Index rose sharply from 51.3 in April to 54.4 in May. The report also highlighted that "the rate of inflation accelerating to register the second-largest monthly increase seen over the past eight months." Meanwhile, initial jobless claims fell more than expected in the week of May 11, fueling concerns about demand-led inflation and forcing traders to curb bullish bets on stocks.

Hong Kong Stock Connect had a net inflow of HK\$3.51bn on Thursday, of which BOC (3988) had the largest net inflow, reaching HK\$1.13bn; followed by Tracker Fund (2800). Tencent (700) recorded the largest net outflow at HK\$0.24bn, followed by Meituan (3690).

## Daily Focus

### China Res Power (836): there is upside for electricity consumption

- In the first four months, the electricity consumption of the whole country increased by 9% yoy; in terms of industries, the electricity consumption of primary industry, secondary industry, tertiary industry and residents' usage increased by 10.1%, 7.5%, 13.5% and 10.8% respectively. In April, the electricity consumption of the whole society increased by 7% yoy. The National Energy Administration (NEA) of China recently published the "Targeted Help and Counterpart Support Work Points for 2024", deploying for the year's work objectives and key tasks. In 2024, the NEA will focus on four aspects of guidance to help

revitalize the development. Firstly, it will accelerate the development of clean energy by promoting the construction of wind power and distributed photovoltaic, enhancing the power system adjustment capacity, and exploring new modes of energy development. Secondly, it will strengthen the energy supply infrastructure by consolidating and enhancing the ability to protect the power grid, making up for the shortcomings of people's energy use, and promoting the construction of heat sources for power supply. The news is a positive signal for the development of the new energy industry. As a leader in traditional thermal power, China Resources Power has at the same time strengthened its deployment of renewable energy in recent years. Total net generation of subsidiary power plants in Jan-April 2024 increased by 5.5% yoy to 65,362,078 MWh, among which, subsidiary wind farms increased by 8% yoy to 15,691,145 MWh, subsidiary photovoltaic plants increased by 191.4% yoy to 1,830,610 MWh. The group will continue to develop renewable energy in the future, and therefore is expected to have upsides for both profit and valuation.

China Res Power (836): Info	
Closed price	21.55
FY24 P/E (X)	7.19
FY24 Dividend yield (%)	5.64
52 week high	22.15
52 week low	13.546
14 RSI	66.6

Analyst: Cynthia Tam

## Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
<b>Balance (RMB bn)</b>	59.15	59.92	77.77
<b>Balance as % of Quota Amount</b>	16.6	12.2	92.6

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
CNOOC	883	777,145,900	1,346,500,020	2,123,645,920
TENCENT	700	787,138,440	892,513,640	1,679,652,080
KUAISHOU-W	1024	863,821,410	392,889,440	1,256,710,850
BANK OF CHINA	3988	1,187,132,510	59,087,120	1,246,219,630
CHINA VANKE	2202	441,025,872	389,460,575	830,486,447
XIAOMI-W	1810	467,579,136	282,187,885	749,767,021
CHINA MOBILE	941	320,793,800	418,472,275	739,266,075
CCB	939	401,546,030	330,149,560	731,695,590
PETROCHINA	857	397,754,400	148,381,940	546,136,340
MEITUAN-W	3690	275,530,270	238,017,500	513,547,770

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	785,967,220	924,435,880	1,710,403,100
KUAISHOU-W	1024	611,825,290	850,190,475	1,462,015,765
CNOOC	883	1,053,693,700	249,520,246	1,303,213,946
TRACKER FUND	2800	538,398,010	61,189,655	599,587,665
LI AUTO-W	2015	267,644,930	264,441,657	532,086,587
CHINA VANKE	2202	237,652,671	245,255,406	482,908,077
MEITUAN-W	3690	151,164,050	303,545,227	454,709,277
XIAOMI-W	1810	156,364,920	256,460,117	412,825,037
CCB	939	230,910,730	120,784,340	351,695,070
CHINA MOBILE	941	177,334,125	162,848,350	340,182,475

Sources: HKEx

## Other Statistics

### Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover(Billion)
BABA-SW	9988	-5.24%	78.65	7.942
TENCENT	700	-0.68%	381.80	6.982
TRACKER FUND	2800	-1.66%	19.02	6.612
KUAISHOU-W	1024	1.72%	59.15	4.799
HSCEI ETF	2828	-1.88%	67.76	4.556
MEITUAN-W	3690	-0.91%	119.50	2.949
JD-SW	9618	-4.11%	123.70	2.880
CNOOC	883	0.74%	19.18	2.616
BANK OF CHINA	3988	-1.26%	3.91	2.601
PING AN	2318	-3.73%	42.60	2.559

## Ten Short Sell Stocks

Stock Name	Code	Short Sell Amount	Turnover	Short Sell Ratio
KUAISHOU-W	01024.HK	833.83M	3.80B	21.94%
TENCENT	00700.HK	476.57M	3.77B	12.65%
TRACKER FUND	02800.HK	447.36M	3.01B	14.84%
BANK OF CHINA	03988.HK	370.42M	952.51M	38.89%
BABA-SW	09988.HK	361.81M	3.00B	12.06%
ICBC	01398.HK	217.86M	781.04M	27.89%
MEITUAN-W	03690.HK	211.56M	1.61B	13.12%
CCB	00939.HK	197.84M	1.33B	14.93%
BYD COMPANY	01211.HK	173.23M	590.85M	29.32%
XL2CSOPHSTECH	07226.HK	148.87M	648.03M	22.97%

Source: AA Stocks

## Economic Calendars

Date	Country	Event	Survey	Prior	
Mon	China	5-Year Loan Prime Rate	3.95%	3.95%	
		1-Year Loan Prime Rate	3.45%	3.45%	
Tue	Hong Kong	Li Auto (2015) Result			
	US	Macy's (M) Result			
Wed	Euro Zone	Mar. Trade Balance SA		17.9b	
	Hong Kong	Tongcheng Travel (780), XPeng Inc (9868), Trip.com (9961) Results			
Thu	US	Apr. Existing Home Sales	4.16m	4.19m	
	Hong Kong	Kuaishou Tech (1024) Result			
Fri	US	Initial Jobless Claims (Till May 18)		222k	
		Continuing Jobless Claims (Till May 11)		1,794k	
		May. S&P Global Manufacturing PMI	50.2	50.0	
		May. S&P Global Services PMI	51.6	51.3	
		Apr. New Home Sales	680k	693k	
		NVIDIA (NVDA) Result			
		Euro Zone	May. HCOB Manufacturing PMI		45.7
			May. HCOB Services PMI		53.3
		Hong Kong	Lenovo (992), Xiaomi Corp (1810), KE Holdings (2423), NetEase Inc (9999) Results		
		US	FOMC Meeting Minutes (May 1) (Announce in early morning on 24 May in HKT)		
Fri	US	Apr. Durable Good Orders (Ex Transportation)	0.2%	0.0%	
		May. University of Michigan Sentiment	67.4	67.4	

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