

Major Market Indicators

	24 May	23 May	22 May
Mkt. Turn.(mn)	126,700	129,900	126,600
Stock Advances	513	406	954
Stock Declines	1,103	1,264	711
HSI	18,609	18,869	19,156
Change	-260	-327	-25

HSI Technical Indicators

10-days MA	19,161
50-days MA	17,469
250-days MA	17,638
14-days RSI	61.05
Primary resistance	18,800
Primary support	18,400

HSCEI Technical Indicators

10-days MA	6,794
50-days MA	6,154
250-days MA	6,058
14-days RSI	54.78
Primary resistance	6,800
Primary support	6,400

Stock Pick
China Res Power (836)
Target: \$25
Stop loss: \$20

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. 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.

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

Centaline Property announced that the latest Centaline City Leading Index (CCL) fell by 1.43% on a weekly basis, which was significantly larger than the weekly decline in previous weeks. It fell by 1.97% for four consecutive weeks. Compared with the index performance before the withdrawal of housing measures, it has only increased slightly by 0.69%. The CVI index of major bank valuations also fell sharply to 54.89 points, down 7.79 points from the previous value, reflecting the weakening of optimism about bank valuations on properties. The CSI index surveyed from the salespeople fell below 50, the dividing line between boom and bust, and the published value was 45.51. If it remains below 50 for a long time, it reflects that the current market conditions will put pressure on property prices.

The net inflow of Hong Kong Stock Connect on Friday was \$2.51 billion. Among them, Bank of China (3988) had the largest inflow, reaching HK\$580 million; followed by AKESO (9926). Meituan (3690) recorded the largest net outflow of HK\$350 million, followed by Tencent (700).

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	22.15
FY24 P/E (X)	7.39
FY24 Dividend yield (%)	5.49
52 week high	22.30
52 week low	13.546
14 RSI	71.4

Analyst: Cynthia Tam

Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
Balance (RMB bn)	53.75	53.95	78.75
Balance as % of Quota Amount	16.7	12.2	93.8

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
CNOOC	883	738,332,160	1,048,031,740	1,786,363,900
AKESO	9926	926,703,800	819,597,631	1,746,301,431
TENCENT	700	728,375,120	896,106,210	1,624,481,330
XIAOMI-W	1810	606,916,236	466,819,892	1,073,736,128
KUAISHOU-W	1024	249,514,180	447,116,480	696,630,660
MEITUAN-W	3690	217,822,760	477,961,144	695,783,904
CHINA VANKE	2202	307,326,501	363,774,335	671,100,836
BANK OF CHINA	3988	608,299,510	22,057,210	630,356,720
CCB	939	440,450,440	182,752,540	623,202,980
ABC	1288	232,663,700	255,496,530	488,160,230

Sources: HKEx

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
AKESO	9926	913,091,450	708,729,450	1,621,820,900
TENCENT	700	668,959,380	729,464,984	1,398,424,364
CNOOC	883	915,750,160	343,313,072	1,259,063,232
XIAOMI-W	1810	525,409,856	371,700,613	897,110,469
MEITUAN-W	3690	384,922,970	481,809,068	866,732,038
KUAISHOU-W	1024	302,816,095	280,278,448	583,094,543
PETROCHINA	857	155,402,400	220,086,883	375,489,283
CHINA VANKE	2202	158,778,566	142,526,356	301,304,922
SENSETIME-W	20	123,844,120	160,096,640	283,940,760
CHINA LONGYUAN	916	186,099,810	88,488,200	274,588,010

Sources: HKEx

Other Statistics

Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover(Billion)
TENCENT	700	-1.26%	377.00	7.223
ICBC	1398	-0.85%	4.66	4.980
AKESO	9926	-22.89%	37.05	3.992
HSCEI ETF	2828	-1.27%	66.90	3.885
BABA-SW	9988	-0.64%	78.15	3.806
TRACKER FUND	2800	-1.21%	18.79	3.750
XIAOMI-W	1810	-3.38%	18.30	3.346
MEITUAN-W	3690	-2.68%	116.30	3.063
KUAISHOU-W	1024	-4.23%	56.65	2.785
CNOOC	883	2.29%	19.62	2.691

Ten Short Sell Stocks

Stock Name	Code	Short Sell Amount	Turnover	Short Sell Ratio
TRACKER FUND	02800.HK	1.79B	3.75B	47.82%
TENCENT	00700.HK	1.02B	7.22B	14.09%
XL2CSOPHSTECH	07226.HK	593.33M	1.28B	46.22%
KUAISHOU-W	01024.HK	581.93M	2.78B	20.90%
XIAOMI-W	01810.HK	545.63M	3.35B	16.31%
MEITUAN-W	03690.HK	461.73M	3.06B	15.08%
BANK OF CHINA	03988.HK	393.56M	1.15B	34.23%
ICBC	01398.HK	378.79M	4.98B	7.61%
AKESO	09926.HK	377.19M	3.99B	9.45%
BABA-SW	09988.HK	350.10M	3.81B	9.20%

Source: AA Stocks

Economic Calendars

Date	Country	Event	Survey	Prior
Mon	US	Market will close (Memorial Day)		Mon
	China	Apr. Industrial Prodit YTD (YoY)		3.45%
	Hong Kong	CSPC Pharm(1093) Result		
Tue	US	May. Conference Board Consumer Confidence	96.0	Tue
	Hong Kong	Alibaba Health (241) Result		17.9b
Wed	Hong Kong	(823) Result		Wed
Thu	US	Initial Jobless Claims (Till May 25)		Thu
		Continuing Jobless Claims (Till May 18)		
		1Q. GDP Annualized (QoQ) (Semi)	1.2%	222k
		Apr. Pending Home Sales (MoM)	0.3%	1,794k
		U.S. Federal Reserve Releases Beige Book		50.0
Fri	US	Apr. Personal Income	0.3%	Fri
		Apr. Personal Spending	0.3%	
		Apr. PCE Core Deflator (MoM)	0.3%	
		Apr. PCE Core Deflator (YoY)	2.8%	
		Costco (COST) Result		
	Euro Zone	May. CPI Core (YoY)	2.8%	
	China	May. Manufacturing PMI		
		May. Non-manufacturing PMI		693k

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