

Major Market Indicators

	7 Jun	6 Jun	5 Jun
Mkt. Turn.(mn)	133,100	114,600	115,600
Stock Advances	842	685	583
Stock Declines	767	955	1,049
HSI	18,367	18,477	18,425
Change	-110	+52	-19

HSI Technical Indicators

10-days MA	18,455
50-days MA	17,808
250-days MA	17,617
14-days RSI	71.54
Primary resistance	18,600
Primary support	18,200

HSCEI Technical Indicators

10-days MA	6,548
50-days MA	6,295
250-days MA	6,062
14-days RSI	65.58
Primary resistance	6,800
Primary support	6,400

Stock Pick

Trip.com (9961)

Target: \$480	<p>At the beginning of the year, a survey was conducted to gather data on when Chinese residents plan to travel this year. The results showed that the majority of residents chose the summer vacation as their preferred travel period. To recap, Trip.com's 1Q24 revenue and profit both beat expectations. Net revenue was RMB 11.9bn, a yoy increase of 29%. Adjusted EBITDA was RMB4bn, compared with RMB2.8bn in 1Q23, and compared with RMB2.9bn in 4Q23. Adjusted EBITDA margin was 33%, compared with 31% in 1Q23, and compared with 28% in 4Q23. As the summer vacation is approaching, tourism sector may outperform the market.</p>
Stop loss: \$394	

BOC (3988)

Target: \$4.2	<p>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.</p>
Stop loss: \$3.3	

HKEX (388)

Target: \$310	<p>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.</p>
Stop loss: \$260	

Market Overview

According to statistics from the Chinese Ministry of Culture and Tourism, during this year's Dragon Boat Festival, China's domestic tourism trips totaled 110mn, an annual increase of 6.3%; and the total expenditure was RMB40.35bn, an annual increase of 8.1%. In 2019, the total number of domestic tourists received was about 96mn, and total expenditure was RMB39.33bn. This means that this year's figures were better than the pre-epidemic level. The travel platform Ctrip (9961) also announced this year's Dragon Boat Festival travel report. Local travel was once again popular, and traditional trip attracted more foreign tourists to experience it. The number of Dragon Boat Festival inbound travel bookings increased by 115% year-on-year.

The net inflow of Hong Kong Stock Connect on Friday was HK\$3.67bn, of which China Mobile (0941) had the largest inflow, reaching HK\$750mn; followed by Li Auto (2015). Tracker Fund (2800) recorded the largest net outflow of HK\$1.07bn; followed by Tencent Holdings (0700).

Daily Focus

Standard chartered (2888): prospect remain positive

- Standard chartered manage to show strong performance for their 1Q24 earning result, with a year-on-year operating income growth of 17% to 5,152 million. For 1Q24, non-interest income as their main growth driver, grew at 33% to 2,733million, account for 53% of the total operating income. Overall, Pre-provision operating profit (PPOP) grew at 37% to 2366 million.
- For Key indicators, Standard Chartered manage to improve its ROTE to 15.2%, up 3 percentage point yoy. Partly benefit from lower Cost-to-income ratio down 7ppts to 54% which show the cost effectiveness of dollar generation, the lower the ratio the better.
- For Capital adequacy, CET 1 ratio remain stable with the consideration of stock buyback, the positive contribution on Profit after tax has offset the negativity of the increase of risk weighted asset from the market risk, overall CET1 balanced at 13.6%, which above the BASEL III requirement and meet the earning guidance.
- Standard Chartered manage to show strong performance from the non-interest income business. We think the company prospect is positive.

Standard chartered (2888): Info	
Closed price	74.1
FY24 P/E (X)	6.64
FY24 Dividend yield (%)	3.19
52 week high	78.3
52 week low	54.1
14 RSI	49.52

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Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
Balance (RMB bn)	60.81	60.41	77.95
Balance as % of Quota Amount	19.1	15.2	92.8

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
MEITUAN-W	3690	704,611,690	508,593,636	1,213,205,326
TENCENT	700	517,353,500	646,119,592	1,163,473,092
CHINA MOBILE	941	633,554,150	328,668,475	962,222,625
XIAOMI-W	1810	498,876,616	359,598,464	858,475,080
TRACKER FUND	2800	1,643,435	765,757,050	767,400,485
CNOOC	883	445,707,500	297,320,750	743,028,250
CCB	939	486,801,050	149,703,720	636,504,770
SMIC	981	320,869,890	265,209,860	586,079,750
CHINA LONGYUAN	916	295,204,210	209,482,990	504,687,200
BANK OF CHINA	3988	405,945,080	40,490,580	446,435,660

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	686,987,080	888,115,032	1,575,102,112
MEITUAN-W	3690	335,615,700	855,047,533	1,190,663,233
LI AUTO-W	2015	593,730,065	162,354,815	756,084,880
XIAOMI-W	1810	224,225,604	498,573,963	722,799,567
CHINA MOBILE	941	553,063,050	112,803,355	665,866,405
KUAISHOU-W	1024	114,457,000	353,530,645	467,987,645
CNOOC	883	239,747,650	217,096,181	456,843,831
SMIC	981	197,486,670	163,239,130	360,725,800
TRACKER FUND	2800	8,688,990	312,397,535	321,086,525
ZIJIN MINING	2899	279,369,600	28,030,920	307,400,520

Sources: HKEx

Other Statistics

Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover(Billion)
TENCENT	700	-1.78%	374.80	9.485
MEITUAN-W	3690	-2.04%	110.40	8.195
TRACKER FUND	2800	-0.53%	18.66	7.724
BABA-SW	9988	0.00%	77.10	3.557
XIAOMI-W	1810	-1.89%	17.62	3.536
LI AUTO-W	2015	-1.08%	78.10	2.943
HSCEI ETF	2828	-0.90%	66.02	2.571
KUAISHOU-W	1024	-3.24%	52.30	2.342
ZIJIN MINING	2899	2.70%	17.50	2.287
JD-SW	9618	-1.45%	115.70	2.256

Ten Short Sell Stocks

Stock Name	Code	Short Sell Amount	Turnover	Short Sell Ratio
TRACKER FUND	02800.HK	1.02B	7.72B	13.22%
TENCENT	00700.HK	949.23M	9.48B	10.01%
ZIJIN MINING	02899.HK	830.24M	2.29B	36.31%
CCB	00939.HK	661.01M	2.10B	31.49%
MEITUAN-W	03690.HK	637.43M	8.20B	7.78%
LI AUTO-W	02015.HK	525.54M	2.94B	17.86%
CSOP HS TECH	03033.HK	485.57M	1.89B	25.63%
ICBC	01398.HK	451.65M	1.22B	37.05%
KUAISHOU-W	01024.HK	433.62M	2.34B	18.52%
HSBC HOLDINGS	00005.HK	428.95M	1.76B	24.35%

Source: AA Stocks

Economic Calendars

Date	Country	Event	Survey	Prior
Mon	China	Market will close (Dragon Boat Festival)		
	Hong Kong	HK Stock Connect Closed		
Wed	US	Market will close (Dragon Boat Festival)		
		May. CPI (MoM)	0.1%	0.3%
		May. CPI (YoY)	3.4%	3.4%
		May. CPI Ex Food and Energy (MoM)	0.3%	0.3%
	China	May. CPI Ex Food and Energy (YoY)	3.5%	3.6%
		May. PPI (YoY)	-1.5%	-2.5%
Thu	US	May. CPI (YoY)	0.4%	0.3%
		FOMC Monetary Meeting (Announce in early morning on 13 Jun in HKT)		
	Initial Jobless Claims (Till Jun 8)		229k	
	Continuing Jobless Claims (Till Jun 1)		1,792k	
	May. PPI Ex Food and Energy (MoM)	0.3%	0.5%	
	May. PPI Ex Food and Energy (YoY)		2.4%	
	Broadcom (AVGO) Result			
	Euro Zone	Apr. Industrial Production SA (MoM)		0.6%
	Hong Kong	Chow Tai Fook (1929) Result		
	Fri	US	Jun. University of Michigan Sentiment	73.0
Adobe (ADBE) Result				
Japan		BOJ Monetary Policy Meeting		
Euro Zone	Apr. Trade Balance SA		17.3b	

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