

Major Market Indicators

	17 Jun	14 Jun	13 Jun
Mkt. Turn.(mn)	96,300	116,200	107,300
Stock Advances	553	828	864
Stock Declines	1,091	790	703
HSI	17,936	17,942	18,113
Change	-6	-171	+175

HSI Technical Indicators

10-days MA	18,222
50-days MA	17,951
250-days MA	17,595
14-days RSI	44.72
Primary resistance	18,200
Primary support	17,800

HSCEI Technical Indicators

10-days MA	6,468
50-days MA	6,353
250-days MA	6,060
14-days RSI	43.55
Primary resistance	6,600
Primary support	6,200

Stock Pick

CGN Power (1816)

Target: \$3.6

Stop loss: \$3

According to historical data, the annual social electricity consumption peak is basically consistent with the occurrence of high temperature weather, both occurring in July-August. As industrial production improves this year, electricity consumption may further increase in hot weather. Driven by these two factors, the growth of electricity consumption this year may accelerate. President Xi Jinping hosted a meeting of business and industry experts in Shandong at the end of last month to discuss issues related to deepening the reform of the mainland's power industry. There may be further news at the Third Plenary Session of the CPC Central Committee.

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.

China Coal (1898)

Target: \$10.8

Stop loss: \$8.6

China Coal has proposed a special dividend of RMB 0.113 per share. The market has reacted positively, as the company's dividend payout ratio has ranged between 20% to 35% since 2016. In comparison, its peer Shenhua had a 70% payout ratio last year. This proposed dividend by China Coal may indicate the possibility of increased dividends in the future. The State Council further study incorporating market value management into the performance evaluations of central enterprise leaders. State-owned enterprises have previously responded positively, stating that they will actively engage in value management and value delivery activities. They will regularly use market value management tools to maintain company value and enhance shareholder returns.

Market Overview

Yesterday, the National Bureau of Statistics announced that retail sales were better than expected, but the performance of fixed asset investment and industrial added value were worse than market expectations. The growth momentum of China's economy is still unstable. In addition, the sales GFA of new homes still recorded a 20% decrease year-on-year. The housing measure implemented by the central government awaiting to show its effect. The national surveyed unemployment rate continued to remain at 5%, the same as in April. The overall economy is showing mixed results, and the needs of policy support to promote the economy remains.

The net inflow of Hong Kong Stock Connect on Monday was HK\$3.78 billion. Tencent (0700) had the largest inflow, reaching HK\$440 million; followed by Bank of China (3988). Brilliance China Auto (1114) recorded the largest net outflow of HK\$240 million, followed by Meituan (3690).

Daily Focus

Meituan (3690): the management has ability to fulfill its commitments

- Meituan recently announced its 1Q24 results, which was better than expected in overall. Revenue amounted to RMB73.28bn, a yoy increase of 25.0%, better than the expected RMB 68.99bn; adjusted net profit was RMB7.49bn, a yoy increase of 36.4%, better than the expected RMB5.78bn. New business segment revenue, which has long been the market focus, increased 18.5% yoy to RMB18.65bn, better than expected; operating loss was RMB2.8bn, the lowest since the third quarter of 2020. The operating loss rate has improved to 14.8%, compared with 32% in the same period last year. Management promised in the 23FY results that it would focus on narrowing operating losses in the future, and the narrowing of operating losses in new business this quarter has reflected the management's ability to fulfill its commitments.

Meituan (3690): Info	
Closed price	116.8
FY24 P/E (X)	19.42
FY24 Dividend yield (%)	0.00
52 week high	150
52 week low	61.1
14 RSI	54.18

Analyst: Cynthia Tam

Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
Balance (RMB bn)	63.63	60.57	78.06
Balance as % of Quota Amount	18.8	14.7	92.9

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
TENCENT	700	816,965,180	635,291,430	1,452,256,610
CHINA MOBILE	941	328,164,075	665,997,975	994,162,050
CNOOC	883	353,383,000	334,846,300	688,229,300
CHINA LONGYUAN	916	204,517,450	346,400,232	550,917,682
CCB	939	255,722,220	242,354,020	498,076,240
SMIC	981	246,508,730	149,310,856	395,819,586
BANK OF CHINA	3988	365,454,680	22,760,390	388,215,070
WUXI BIO	2269	173,349,860	204,384,450	377,734,310
BRILLIANCE CHI	1114	129,124,300	233,985,580	363,109,880
MEITUAN-W	3690	154,736,700	200,835,546	355,572,246

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	702,776,640	443,822,980	1,146,599,620
CHINA MOBILE	941	597,905,700	422,097,713	1,020,003,413
CNOOC	883	485,590,000	219,215,121	704,805,121
MEITUAN-W	3690	249,640,480	382,446,037	632,086,517
XIAOMI-W	1810	267,306,468	202,106,900	469,413,368
KUAISHOU-W	1024	194,487,315	170,019,066	364,506,381
BRILLIANCE CHI	1114	113,926,480	248,907,120	362,833,600
BYD ELECTRONIC	285	215,714,800	109,046,075	324,760,875
CHINA SHENHUA	1088	121,576,300	198,954,875	320,531,175
CHINA LONGYUAN	916	178,490,480	111,363,120	289,853,600

Sources: HKEx

Other Statistics

Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover(Billion)
TENCENT	700	0.37%	381.20	5.829
TRACKER FUND	2800	0.16%	18.30	5.004
HSCEI ETF	2828	0.06%	65.16	4.775
MEITUAN-W	3690	1.83%	116.80	3.355
BABA-SW	9988	-0.41%	72.50	2.562
BYD COMPANY	1211	1.74%	233.40	2.144
CHINA MOBILE	941	-1.22%	72.60	2.130
BRILLIANCE CHI	1114	18.79%	8.47	1.536
AIA	1299	0.00%	55.50	1.501
CCB	939	0.55%	5.53	1.357

Ten Short Sell Stocks

Stock Name	Code	Short Sell Amount	Turnover	Short Sell Ratio
TENCENT	00700.HK	1.13B	5.83B	19.44%
HSCEI ETF	02828.HK	883.01M	4.78B	18.49%
MEITUAN-W	03690.HK	668.70M	3.36B	19.93%
TRACKER FUND	02800.HK	575.16M	5.00B	11.49%
BYD COMPANY	01211.HK	521.39M	2.14B	24.32%
BANK OF CHINA	03988.HK	497.71M	1.08B	45.89%
CCB	00939.HK	487.81M	1.36B	35.94%
ICBC	01398.HK	377.44M	876.89M	43.04%
JD-SW	09618.HK	356.14M	1.26B	28.32%
BABA-SW	09988.HK	347.11M	2.56B	13.55%

Source: AA Stocks

Economic Calendars

Date	Country	Event	Survey	Prior
Mon	China	May. Industrial Production (YoY)	6.1%	6.7%
	Hong Kong	May. Retail Sales (YoY)	3.0%	2.3%
Tue		May. Fixed Assets Ex Rural YTD (YoY)	4.2%	4.2%
	US	May. Retail Sales Advance (MoM)	0.3%	0.0%
		May. Industrial Production (MoM)	0.4%	0.0%
	Euro Zone	May. CPI (YoY) Final		
		May. CPI (MoM) Final		0.2%
	China	May. Core CPI (YoY) Final		2.9%
Wed	US	Market will close (Juneteenth Day)		
Thu	US	Initial Jobless Claims (Till Jun 15)		242k
		Continuing Jobless Claims (Till Jun 8)		1,820k
		May. Housing Starts	1,375k	1,360k
		May. Building Permits	1,460k	1,440k
		Jun. Philadelphia Fed Business Outlook	4.5	4.5
	UK	BOE Monetary Policy Meeting		
	China	5-Year Loan Prime Rate	3.95%	3.95%
		1-Year Loan Prime Rate	3.45%	3.45%
Fri	US	Jun. S&P Global Manufacturing PMI	51.0	51.3
		Jun. S&P Global Services PMI	53.4	54.8
		May. Existing Home Sales	4.10m	4.14m
	Euro Zone	Jun. HCOB Manufacturing PMI		47.3
		Jun. HCOB Services PMI		53.2

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