

Major Market Indicators

	19 Jun	18 Jun	17 Jun
Mkt. Turn.(mn)	112,800	92,300	96,300
Stock Advances	1,092	751	553
Stock Declines	550	833	1,091
HSI	18,430	17,916	17,936
Change	+515	-21	-6

HSI Technical Indicators

10-days MA	18,172
50-days MA	18,008
250-days MA	17,585
14-days RSI	53.65
Primary resistance	18,600
Primary support	18,200

HSCEI Technical Indicators

10-days MA	6,455
50-days MA	6,377
250-days MA	6,060
14-days RSI	55.70
Primary resistance	6,800
Primary support	6,400

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.

HKEX (388)
Target: \$303
Stop loss: \$236

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.

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

"I will need to observe a period of favorable inflation, moderating demand and expanding supply before becoming confident that a reduction in the target range for the federal funds rate is appropriate. These conditions could take months, and more likely quarters to play out," Musalem said. It is his first public comments on monetary policy since becoming head of the regional Fed bank.

Hong Kong Stock Connect had a net inflow of HK2.36bn on Wednesday, of which BOC (3988) had the largest net inflow, reaching HK\$0.57bn; followed by ICBC (1398). Tracker Fund (2800) recorded the largest net outflow at HK\$0.33bn, followed by Bilibili (9626).

Daily Focus

PetroChina (857): Attractive dividend yield

- Oil price gains support in the current high level.
- Meanwhile, the oil sector of HK market can continue to 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. 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 oil stocks to continue to increase their dividend payout ratios in the future.
- PetroChina has an attractive dividend yield, showing the investment value of the stock.

PetroChina (857): Info	
Closed price	7.62
FY24 P/E (X)	7.66
FY24 Dividend yield (%)	6.07
52 week high	8.22
52 week low	4.73
14 RSI	49.7

Analyst: Cynthia Tam

Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
Balance (RMB bn)	50.74	48.53	78.78
Balance as % of Quota Amount	16.9	12.0	93.8

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
TENCENT	700	1,135,775,900	1,253,239,200	2,389,015,100
CNOOC	883	551,440,650	830,183,900	1,381,624,550
XIAOMI-W	1810	525,305,404	548,154,324	1,073,459,728
MEITUAN-W	3690	417,480,270	466,194,100	883,674,370
CHINA MOBILE	941	422,403,925	457,454,175	879,858,100
BANK OF CHINA	3988	655,775,370	78,139,290	733,914,660
BILIBILI-W	9626	342,238,180	340,844,561	683,082,741
CCB	939	394,365,070	203,787,740	598,152,810
ICBC	1398	243,351,110	278,632,340	521,983,450
SMIC	981	267,667,100	246,702,320	514,369,420

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	917,114,440	781,830,945	1,698,945,385
CNOOC	883	739,736,200	402,922,250	1,142,658,450
CHINA MOBILE	941	511,992,250	422,024,525	934,016,775
MEITUAN-W	3690	471,888,840	434,172,751	906,061,591
XIAOMI-W	1810	506,013,836	272,243,956	778,257,792
ICBC	1398	447,271,000	60,964,610	508,235,610
BILIBILI-W	9626	167,696,756	322,192,932	489,889,688
ZIJIN MINING	2899	345,160,720	31,657,440	376,818,160
TRACKER FUND	2800	932,185	337,584,755	338,516,940
SMIC	981	136,282,510	168,857,410	305,139,920

Sources: HKEx

Other Statistics

Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover(Billion)
TENCENT	700	3.18%	389.00	8.622
TRACKER FUND	2800	2.84%	18.81	5.026
MEITUAN-W	3690	5.57%	121.40	4.257
CCB	939	3.57%	5.81	3.206
XIAOMI-W	1810	6.33%	18.48	2.882
CNOOC	883	5.83%	22.70	2.695
ICBC	1398	3.65%	4.55	2.468
HSCEI ETF	2828	3.32%	67.32	2.441
BABA-SW	9988	2.91%	74.20	2.345
BYD COMPANY	1211	1.88%	238.00	2.106

Ten Short Sell Stocks

Stock Name	Code	Short Sell Amount	Turnover	Short Sell Ratio
TENCENT	00700.HK	1.38B	8.62B	15.97%
ICBC	01398.HK	848.48M	2.47B	34.38%
MEITUAN-W	03690.HK	681.61M	4.26B	16.01%
CCB	00939.HK	672.44M	3.21B	20.97%
BANK OF CHINA	03988.HK	622.55M	2.10B	29.71%
XIAOMI-W	01810.HK	497.50M	2.88B	17.26%
ZIJIN MINING	02899.HK	412.48M	1.56B	26.46%
BYD COMPANY	01211.HK	381.98M	2.11B	18.14%
BILIBILI-W	09626.HK	349.48M	1.98B	17.62%
PING AN	02318.HK	347.16M	1.82B	19.05%

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
		Jun. S&P Global Services PMI	53.4	54.8
		May. Existing Home Sales	4.10m	4.14m
		Euro Zone	Jun. HCOB Manufacturing PMI	
		Jun. HCOB Services PMI		53.2

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