



Major Market Indicators

	26 Jun	25 Jun	24 Jun
Mkt. Turn.(mn)	95,200	93,700	96,500
Stock Advances	807	821	533
Stock Declines	775	787	1,099
HSI	18,090	18,073	18,028
Change	+17	+45	-1

HSI Technical Indicators

10-days MA	18,089
50-days MA	18,129
250-days MA	17,552
14-days RSI	42.12
Primary resistance	18,200
Primary support	17,800

HSCEI Technical Indicators

10-days MA	6,450
50-days MA	6,431
250-days MA	6,055
14-days RSI	50.07
Primary resistance	6,600
Primary support	6,200

Stock Pick

CCB (939)

Target: \$6.3

Stop loss: \$5.4

Data shows that the decline in PPOP of china banks has slowed down (-4.9% in the first quarter of 2024 vs. -5.3% in the second half of 2023). CCB's revenue in the 1Q24 was RMB195.28 billion, a yoy decrease of 2.8%. Net interest income was RMB149.73bn, a yoy decrease of 2%, which was better than expected. The net interest margin was 1.57%, which was 1.52% better than expected. CCB's non-performing loan ratio in the 1Q 24 was 1.36%, a decrease of 0.01ppts from the end of last year. The company's financial situation is stable and it will distribute interim dividends in the future. With a dividend yield of over 7%, the share is defensive.

China Mobile (941)

Target: \$82

Stop loss: \$67.5

Earlier, the market reported that the Central Government may abolish the 20% dividend tax payable by mainland investors to buy Hong Kong stocks through the "Hong Kong Stock Connect" on July 1, and the relevant shares performed well, including China Mobile. We have repeatedly recommended the stock for its stable earnings growth, clear dividend policy and benefit from market cap management of state-owned enterprises. By incorporating market value management into the KPI of state-owned enterprise management, it may promote Chinese telecommunications stocks to continue to increase their dividend payout ratios in the future.

China Power (2380)

Target: \$4.3

Stop loss: \$3.6

Recently, President Xi held a symposium with enterprises, experts and scholars, and mentioned deepening the reform of the electric power system, which reflects the high-level attention attached to the reform. The market generally expects that the Third Plenary Session in July will bring more details to the reform of the electric power system. Investors can pay more attention to new energy concepts, including China Power. At the end of 2023, the Group's total combined installed capacity was 45,018.8 MW, of which the clean energy accounting for 75.39% of the total combined installed capacity.

Market Overview

The Federal Reserve said on Wednesday that all 31 major banks have passed this year's stress tests. The Fed said in a statement that 31 banks were able to absorb losses while maintaining more than the minimum required capital levels. The stress test assumes the unemployment rate surges to 10%, commercial real estate values plummet by 40%, and house prices fall by 36%.

Hong Kong Stock Connect had a net inflow of HK\$3.80bn on Wednesday, of which Tracker Fund (2800) had the largest net inflow, reaching HK\$1.77bn; followed by HSCEI ETF (2828). CNOOC (883) recorded the largest net outflow at HK\$0.26bn, followed by Shenhua (1088).

Daily Focus

CCB (939): FY24E dividend yield over 7%

- Earlier, the market reported that the Central Government may abolish the 20% dividend tax payable by mainland investors to buy Hong Kong stocks through the "Hong Kong Stock Connect" on July 1, the anniversary of Hong Kong's return to the motherland, and the relevant shares continued to record southbound capital inflow, including CCB.
- Data shows that the decline in PPOP of china banks has slowed down (-4.9% in the first quarter of 2024 vs. -5.3% in the second half of 2023). In terms of asset quality, the non-performing loan ratios of mainland banks have declined compared with the end of 2022.
- CCB's revenue in the 1Q24 was RMB195.28 billion, a yoy decrease of 2.8%. Net interest income was RMB149.73bn, a yoy decrease of 2%, which was better than expected. The net interest margin was 1.57%, which was 1.52% better than expected. CCB's non-performing loan ratio in the 1Q24 was 1.36%, a decrease of 0.01ppts from the end of last year.
- The company's financial situation is stable and it will distribute interim dividends in the future. With a dividend yield over 7%, the share is defensive.

CCB (939): Info	
Closed price	5.79
FY24 P/E (X)	4.10
FY24 Dividend yield (%)	7.44
52 week high	5.95
52 week low	4.01
14 RSI	61.14

Analyst: Cynthia Tam

Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
Balance (RMB bn)	49.69	47.07	78.14
Balance as % of Quota Amount	18.0	12.9	93.0

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
TRACKER FUND	2800	1,270,564,185	11,360,245	1,281,924,430
ICBC	1398	649,306,180	315,579,470	964,885,650
CHINA MOBILE	941	367,457,750	475,029,000	842,486,750
CNOOC	883	204,802,350	592,303,109	797,105,459
TENCENT	700	351,477,240	393,956,157	745,433,397
CCB	939	413,273,090	313,223,400	726,496,490
CHINA SHENHUA	1088	205,794,050	312,389,443	518,183,493
KINGKEY FIN INT	1468	212,366,850	234,687,390	447,054,240
SMIC	981	236,487,730	204,104,750	440,592,480
HSCEI ETF	2828	404,665,168	19,080,328	423,745,496

Sources: HKEx

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
TRACKER FUND	2800	515,028,905	2,998,685	518,027,590
TENCENT	700	269,798,700	182,257,240	452,055,940
CNOOC	883	267,477,850	141,982,478	409,460,328
HSCEI ETF	2828	307,902,328	264,876	308,167,204
CHINA MOBILE	941	147,695,025	133,794,775	281,489,800
ICBC	1398	249,247,150	14,232,620	263,479,770
CCB	939	218,086,460	8,485,410	226,571,870
XIAOMI-W	1810	88,216,784	122,928,280	211,145,064
SENSETIME-W	20	122,720,700	80,040,340	202,761,040
KINGKEY FIN INT	1468	109,516,590	84,545,370	194,061,960

Sources: HKEx

Other Statistics

Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover(Billion)
TRACKER FUND	2800	0.22%	18.47	7.164
HSCEI ETF	2828	0.42%	66.30	4.941
TENCENT	700	0.00%	382.00	4.524
BABA-SW	9988	0.28%	72.85	2.120
MEITUAN-W	3690	0.17%	117.00	2.104
CSOP HS TECH	3033	1.23%	3.62	2.063
AIA	1299	-1.00%	54.45	1.919
CCB	939	-0.17%	5.79	1.878
ICBC	1398	0.87%	4.62	1.826
NTES-S	9999	6.21%	150.60	1.579

Ten Short Sell Stocks

Stock Name	Code	Short Sell Amount	Turnover	Short Sell Ratio
TRACKER FUND	02800.HK	3.27B	7.16B	45.62%
TENCENT	00700.HK	699.92M	4.52B	15.47%
ICBC	01398.HK	515.35M	1.83B	28.22%
HSCEI ETF	02828.HK	463.39M	4.94B	9.38%
CCB	00939.HK	426.69M	1.88B	22.73%
BYD COMPANY	01211.HK	379.35M	1.47B	25.79%
CHINA SHENHUA	01088.HK	340.27M	973.41M	34.96%
BABA-SW	09988.HK	320.52M	2.12B	15.12%
MEITUAN-W	03690.HK	319.42M	2.10B	15.18%
BANK OF CHINA	03988.HK	307.52M	887.16M	34.66%

Source: AA Stocks

Economic Calendars

Date	Country	Event	Survey	Prior
Mon	Hong Kong	China Gas Holdings (384), L'Occitane (973) Results		
Tue	US	Jun. Conference Board Consumer Confidence	100.0	102.0
	Hong Kong	Want Want (151) Result		
Wed	US	May. New Home Sales	650k	634k
		FedEx (FDX) Result		
Thu	US	Initial Jobless Claims (Till Jun 22)		238k
		Continuing Jobless Claims (Till Jun 15)		1,828k
		1Q.GDP Annualized (QoQ) (Final)	1.5%	1.3%
		May. Pending Home Sales (MoM)		-7.7%
		May Durable Goods Orders	0.0%	0.6%
	China	May. Industrial Profits YTD (YoY)		4.3%
Fri	US	May. Personal Income	0.4%	0.3%
		May. Personal Spending	0.3%	0.2%
		May. PCE Core Deflator (MoM)	0.1%	0.2%
		May. PCE Core Deflator (YoY)	2.6%	2.8%
		Jun. University of Michigan Sentiment (Final)		65.6
		Nike (NKE) Result		
	Hong Kong	Geely Automobile (175) Result		

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