

**Major Market Indicators**

	28 Jun	27 Jun	26 Jun
Mkt. Turn.(mn)	98,900	104,200	95,200
Stock Advances	890	407	807
Stock Declines	709	1,196	775
HSI	17,718	17,716	18,090
Change	+2	-373	+17

**HSI Technical Indicators**

10-days MA	18,027
50-days MA	18,181
250-days MA	17,539
14-days RSI	39.52
Primary resistance	18,000
Primary support	17,600

**HSCEI Technical Indicators**

10-days MA	6,436
50-days MA	6,453
250-days MA	6,053
14-days RSI	42.21
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**

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**

In June, China's Caixin PMI slightly increased to 51.8, higher than the previous value of 51.7, reaching its highest level since June 2021. The Caixin number continued to differ from the official figures, with the official PMI remaining flat at 49.5 for the month. The new orders index has stayed in the expansion zone for the 11th consecutive month but had slowed down; new orders continue to flow in, and the backlog of work index has been above the threshold for the fourth consecutive month. The employment index remained in the contraction zone and business expectations index has dropped to the lowest level since 2019. Market confidence and demand showed no significant signs of relief. Additionally, the prices of raw materials such as steel, copper, and aluminum have increased, along with rising freight costs, pushing production costs upwards, with the PPI expected to improve in June.

The southbound trading of Hong Kong Stock Connect recorded a net inflow of HK\$3.66bn on Friday. China Mobile (0941) had the largest net inflow, amounting to HK\$2.22bn, followed by ICBC (1398). On the other hand, the Tracker Fund recorded the largest net outflow of HK\$570mn, followed by China Shenhua (1088).

## Daily Focus

### CGN Power (1816): Peak season for electricity usage

- Entering summer, market statistics show that high temperatures during the year generally occur from July to August. Along with the hot weather, investors can pay attention to the performance of power sector.
- 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.
- The China Electricity Council forecasts that the total electricity consumption in 2024 will reach 9.8 trillion kWh, an increase of about 6%. Additionally, with the rise of artificial intelligence, the adoption of generative AI is expected to further boost electricity consumption.
- 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.

CGN Power (1816): Info	
Closed price	3.44
FY24 P/E (X)	13.77
FY24 Dividend yield (%)	3.25
52 week high	3.50
52 week low	1.71
14 RSI	63.65

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## Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
<b>Balance (RMB bn)</b>	58.45	49.83	78.42
<b>Balance as % of Quota Amount</b>	18.7	12.8	93.4

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
CHINA MOBILE	941	1,248,009,675	272,840,785	1,520,850,460
CNOOC	883	659,000,750	783,478,230	1,442,478,980
TENCENT	700	369,282,160	596,550,820	965,832,980
CCB	939	566,525,050	232,705,550	799,230,600
ICBC	1398	480,238,000	166,880,610	647,118,610
CHINA SHENHUA	1088	255,972,925	356,905,400	612,878,325
TRACKER FUND	2800	6,631,490	575,898,430	582,529,920
CHINA TELECOM	728	241,648,920	242,196,948	483,845,868
MEITUAN-W	3690	164,945,230	271,559,459	436,504,689
CHINA UNICOM	762	197,785,680	231,873,220	429,658,900

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	490,292,060	252,426,580	742,718,640
CNOOC	883	412,016,000	313,106,950	725,122,950
CHINA MOBILE	941	492,393,000	205,743,219	698,136,219
MEITUAN-W	3690	236,325,260	189,637,121	425,962,381
CHINA UNICOM	762	266,585,620	87,065,160	353,650,780
XIAOMI-W	1810	150,309,148	184,742,420	335,051,568
CHINA SHENHUA	1088	158,085,425	165,990,900	324,076,325
CCB	939	223,724,500	83,956,560	307,681,060
ICBC	1398	199,947,810	37,579,370	237,527,180
CHINA TELECOM	728	142,605,980	53,371,000	195,976,980

Sources: HKEx

## Other Statistics

### Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover(Billion)
TENCENT	700	-0.53%	372.40	5.808
TRACKER FUND	2800	-0.06%	18.12	4.168
MEITUAN-W	3690	-2.29%	111.10	3.186
BABA-SW	9988	-1.47%	70.50	2.790
CHINA MOBILE	941	2.67%	77.00	2.784
CCB	939	0.87%	5.77	2.706
CNOOC	883	2.99%	22.40	2.075
ICBC	1398	1.53%	4.64	1.734
XIAOMI-W	1810	-0.36%	16.48	1.557
AIA	1299	-0.47%	53.00	1.557

## Ten Short Sell Stocks

Stock Name	Code	Short Sell Amount	Turnover	Short Sell Ratio
TRACKER FUND	02800.HK	1.50B	2.65B	56.58%
TENCENT	00700.HK	306.36M	2.57B	11.94%
MEITUAN-W	03690.HK	240.53M	1.32B	18.25%
BABA-SW	09988.HK	190.33M	1.10B	17.33%
CSOP HS TECH	03033.HK	189.51M	487.45M	38.88%
ICBC	01398.HK	179.61M	566.90M	31.68%
CCB	00939.HK	166.27M	753.93M	22.05%
XL2CSOPHSTECH	07226.HK	164.87M	420.07M	39.25%
HSCEI ETF	02828.HK	158.72M	1.03B	15.47%
CHINA MOBILE	00941.HK	142.76M	1.30B	11.00%

Source: AA Stocks

## Economic Calendars

Date	Country	Event	Survey	Prior	
Mon	US	Jun. S&P Global Manufacturing PMI (Final)	51.7	51.7	
		Jun. ISM Manufacturing	49.2	48.7	
	Euro Zone	Jun. HCOB Manufacturing PMI (Final)	45.6	45.6	
	China	Jun. Caixin Manufacturing PMI	51.5	51.7	
	Hong Kong	HK Stock Connect Closed			
		Market will close (HKSAR Establishment Day)			
Tue	US	May. JOLTs Job Openings		8,059k	
	Euro Zone	Jun. CPI (YoY)	2.5%	2.6%	
		Jun. CPI (MoM)	0.3%	0.2%	
Wed	US	Initial Jobless Claims (Till Jun 29)		233k	
		Continuing Jobless Claims (Till Jun 22)		1,839k	
		Jun. ADP Employment Change	163k	152k	
			May. Trade Balance	-\$72.2b	\$74.6b
			Jun. S&P Global Services PMI (Final)		55.1
	Euro Zone	Jun. HCOB Services PMI (Final)	52.6	52.6	
	China	Jun. Caixin Services PMI		54.0	
Thu	US	FOMC Meeting Minutes (Jun 12) (Announce in early morning on 4 Jul in HKT)			
		Market will close (Independence Day)			
Fri	US	Jun. Change in Nonfarm Payrolls	188k	272k	
		Jun. Unemployments Rate	4.0%	4.0%	
		Jun. Average Hourly Earnings (MoM)	0.3%	0.4%	

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