

**Major Market Indicators**

	2 Jul	28 Jun	27 Jun
Mkt. Turn.(mn)	118,400	98,900	104,200
Stock Advances	702	890	407
Stock Declines	910	709	1,196
HSI	17,769	17,718	17,716
Change	+51	+2	-373

**HSI Technical Indicators**

10-days MA	18,010
50-days MA	18,211
250-days MA	17,534
14-days RSI	41.00
Primary resistance	18,000
Primary support	17,600

**HSCEI Technical Indicators**

10-days MA	6,437
50-days MA	6,465
250-days MA	6,053
14-days RSI	45.17
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**

Powell expressed satisfaction with the progress on inflation but said he would like to see more progress before he is confident enough to begin cutting interest rates. "We want to be more confident that inflation is moving sustainably down toward 2% before we start the process of reducing or loosening policy," he said at a central banking forum in Sintra, Portugal. The remarks come just a day ahead of the minutes of the Fed's June meeting, with nonfarm payrolls on Friday. Meanwhile, the May JOLTs showed that there were 8.14 million job openings, up from 7.92 million in April and higher than the expected 7.95 million.

Hong Kong Stock Connect had a net inflow of HK\$5.95bn on Tuesday, of which CCB (939) had the largest net inflow, reaching HK\$1.71bn; followed by ICBC (1398). Tencent (700) recorded the largest net outflow at HK\$0.46bn, followed by Brilliance China (1114).

## Daily Focus

### Longyuan (916): investors can pay more attention to new energy concepts

- As of 31 March 2024, the consolidated installed capacity of the Group was 36,155.83 MW, among which, the consolidated installed capacity of the wind power, coal power and other renewable energy power were 27,780.64 MW, 1,875.00 MW and 6,500.19 MW, respectively. In 2023, the Group increased its resource reserve by 54 GW (24.65 GW for wind power), all of which are located in regions with better resources.
- Recently, the Company has received a notice from CHN Energy, the controlling shareholder, that in order to implement the agreements stipulated in the Supplemental Undertaking Letter in relation to Non-competition with China Longyuan Power Group Corporation Limited by China Energy Investment Corporation Limited and to promote efforts to reduce and address the horizontal competition, CHN Energy intends to initiate the injection of certain new energy assets into the Company. The equity interests in new energy companies within certain provincial-level subsidiaries of the CHN Energy that meet the injection conditions, with an estimated installed capacity of new energy of approximately 4,000,000 kW, are initially planned to be injected in batches. The market expects the asset injection to be completed in January 2025.
- Earlier, 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 this year will bring more details to the reform of the electric power system. Investors can pay more attention to new energy concepts, including Longyuan.

Longyuan (916): Info	
Closed price	7.49
FY24 P/E (X)	7.37
FY24 Dividend yield (%)	3.64
52 week high	8.36
52 week low	4.37
14 RSI	56.7

Analyst: Cynthia Tam

## Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
<b>Balance (RMB bn)</b>	58.29	52.74	75.85
<b>Balance as % of Quota Amount</b>	20.6	14.6	90.3

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
TENCENT	700	800,773,060	1,254,402,060	2,055,175,120
CCB	939	1,257,733,800	233,035,800	1,490,769,600
CNOOC	883	673,171,000	641,992,602	1,315,163,602
CHINA MOBILE	941	474,540,550	557,812,075	1,032,352,625
ICBC	1398	678,241,700	169,112,070	847,353,770
TRACKER FUND	2800	729,371,830	37,418,585	766,790,415
CHINA SHENHUA	1088	260,212,325	170,513,050	430,725,375
CHINA TELECOM	728	132,998,620	259,046,120	392,044,740
CHINA LONGYUAN	916	239,172,730	137,353,320	376,526,050
MEITUAN-W	3690	158,012,630	184,801,666	342,814,296

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	754,071,520	769,868,940	1,523,940,460
CNOOC	883	800,981,750	336,431,920	1,137,413,670
CCB	939	822,155,460	139,960,510	962,115,970
CHINA MOBILE	941	444,756,700	183,516,685	628,273,385
ICBC	1398	520,020,040	33,871,260	553,891,300
PETROCHINA	857	316,176,100	34,238,760	350,414,860
BRILLIANCE CHI	1114	71,633,120	232,908,560	304,541,680
CHINA SHENHUA	1088	232,915,025	65,080,350	297,995,375
MEITUAN-W	3690	125,638,060	150,725,050	276,363,110
LI AUTO-W	2015	174,010,665	81,068,715	255,079,380

Sources: HKEx

## Other Statistics

### Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover(Billion)
TENCENT	700	-0.86%	369.20	10.065
TRACKER FUND	2800	0.39%	18.19	6.721
CCB	939	1.56%	5.86	4.049
BABA-SW	9988	-0.07%	70.45	3.061
MEITUAN-W	3690	0.99%	112.20	3.061
ICBC	1398	2.37%	4.75	2.686
HSCEI ETF	2828	0.66%	64.58	2.604
CNOOC	883	4.46%	23.40	2.295
AIA	1299	-1.04%	52.45	2.157
CSOP HS TECH	3033	-0.74%	3.47	2.133

## Ten Short Sell Stocks

Stock Name	Code	Short Sell Amount	Turnover	Short Sell Ratio
TRACKER FUND	02800.HK	2.26B	6.72B	33.55%
TENCENT	00700.HK	1.17B	10.07B	11.65%
CCB	00939.HK	770.27M	4.05B	19.03%
CSOP HS TECH	03033.HK	630.73M	2.13B	29.57%
PETROCHINA	00857.HK	572.09M	1.72B	33.18%
PING AN	02318.HK	544.52M	1.76B	30.91%
ICBC	01398.HK	521.54M	2.69B	19.41%
MEITUAN-W	03690.HK	442.77M	3.06B	14.47%
CM BANK	03968.HK	353.23M	1.08B	32.62%
CNOOC	00883.HK	319.25M	2.29B	13.91%

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. Unemployment Rate	4.0%	4.0%
		Jun. Average Hourly Earnings (MoM)	0.3%	0.4%

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