



### Major Market Indicators

	4 Jul	3 Jul	2 Jul
Mkt. Turn.(mn)	90,800	113,600	118,400
Stock Advances	681	955	702
Stock Declines	894	617	910
HSI	18,028	17,979	17,769
Change	+50	+209	+51

### HSI Technical Indicators

10-days MA	17,977
50-days MA	18,279
250-days MA	17,526
14-days RSI	47.97
Primary resistance	18,200
Primary support	17,800

### HSCEI Technical Indicators

10-days MA	6,434
50-days MA	6,493
250-days MA	6,053
14-days RSI	51.25
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.

### Trip.com (9961)

**Target: \$460**

**Stop loss: \$343**

Trip.com's 1Q24 revenue and profit both exceeded expectations. Domestic hotel and air bookings grew by over 20% yoy; outbound hotel and air bookings increased by over 100% yoy; and total revenue from the company's global OTA platform, Trip.com, grew by approximately 80% yoy. Management remains confident in the travel momentum for the summer holiday and beyond, expecting significant growth in the outbound travel segment driven by the continued recovery of flight capacity and the resolution of visa backlogs.

### 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

European Central Bank President Christine Lagarde said the European Central Bank needs to further ensure that inflation is heading back to its 2% target before further lowering interest rates. Lagarde said on Thursday that while disinflation in the euro zone continues, officials must remain vigilant. She said a particular focus was on rising service prices, driven by rising wages.

Hong Kong Stock Connect had a net inflow of HK0.94bn on Thursday, of which ICBC (1398) had the largest net inflow, reaching HK\$0.73bn; followed by CCB (939). Tracker Fund (2800) recorded the largest net outflow at HK\$1.06bn, followed by Meituan (3690).

## Daily Focus

### Trip.com (9961): tourism sector may outperform during summer time

- Trip.com's 1Q24 revenue and profit both exceeded expectations. Domestic hotel and air bookings grew by over 20% yoy; outbound hotel and air bookings increased by over 100% yoy; and total revenue from the company's global OTA platform, Trip.com, grew by approximately 80% yoy.
- Management remains confident in the travel momentum for the summer holiday and beyond, expecting significant growth in the outbound travel segment driven by the continued recovery of flight capacity and the resolution of visa backlogs.
- Regarding global marketing, Trip.com, Skyscanner, and other overseas brands are expected to maintain robust growth. The group is also actively capitalizing on inbound travel opportunities, with inbound tourism's contribution to Trip.com's total revenue increasing from a few percentage points to over 20%.

Trip.com (9961): Info	
Closed price	395.6
FY24 P/E (X)	16.87
FY24 Dividend yield (%)	0.00
52 week high	452.2
52 week low	251.4
14 RSI	53.0

Analyst: Cynthia Tam

## Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
<b>Balance (RMB bn)</b>	47.84	45.06	80.70
<b>Balance as % of Quota Amount</b>	18.5	13.9	961

### 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	16,575,410	1,075,213,935	1,091,789,345
CCB	939	810,082,040	276,276,110	1,086,358,150
TENCENT	700	523,677,320	445,578,520	969,255,840
ICBC	1398	645,377,500	220,658,590	866,036,090
CNOOC	883	354,849,300	509,510,007	864,359,307
MEITUAN-W	3690	198,614,180	585,230,292	783,844,472
CHINA MOBILE	941	251,018,200	355,990,975	607,009,175
LI AUTO-W	2015	362,401,650	145,509,015	507,910,665
SENSETIME-W	20	233,200,760	153,211,260	386,412,020
KUAISHOU-W	1024	165,056,255	217,225,705	382,281,960

Sources: HKEx

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
CHINA MOBILE	941	324,539,225	546,034,875	870,574,100
CNOOC	883	386,564,150	433,825,925	820,390,075
ICBC	1398	555,112,570	241,995,540	797,108,110
TENCENT	700	261,586,580	445,995,000	707,581,580
MEITUAN-W	3690	281,787,740	382,465,591	664,253,331
KUAISHOU-W	1024	138,937,835	272,879,540	411,817,375
SINOPEC CORP	386	366,745,720	44,826,960	411,572,680
CCB	939	170,106,010	237,792,660	407,898,670
PETROCHINA	857	163,416,780	146,943,840	310,360,620
LI AUTO-W	2015	127,863,995	138,243,311	266,107,306

Sources: HKEx

## Other Statistics

### Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover(Billion)
TENCENT	700	0.79%	382.40	5.903
MEITUAN-W	3690	2.22%	119.70	4.299
CCB	939	3.32%	5.54	4.278
TRACKER FUND	2800	0.60%	18.51	3.788
ICBC	1398	2.11%	4.83	2.580
BABA-SW	9988	1.32%	73.15	2.235
HSCEI ETF	2828	0.58%	66.02	1.976
CHINA MOBILE	941	-0.64%	77.80	1.611
KUAISHOU-W	1024	-4.58%	44.80	1.581
LI AUTO-W	2015	3.92%	80.80	1.534

## Ten Short Sell Stocks

Stock Name	Code	Short Sell Amount	Turnover	Short Sell Ratio
TENCENT	00700.HK	1.01B	5.90B	17.14%
CCB	00939.HK	825.36M	4.28B	19.29%
MEITUAN-W	03690.HK	661.41M	4.30B	15.39%
ICBC	01398.HK	478.25M	2.58B	18.54%
TRACKER FUND	02800.HK	462.62M	3.79B	12.21%
LI AUTO-W	02015.HK	420.60M	1.53B	27.42%
BANK OF CHINA	03988.HK	311.06M	1.03B	30.26%
BYD COMPANY	01211.HK	309.37M	921.70M	33.57%
PETROCHINA	00857.HK	288.03M	1.01B	28.47%
PING AN	02318.HK	255.46M	1.19B	21.43%

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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