

Major Market Indicators

	9 Jul	8 Jul	5 Jul
Mkt. Turn.(mn)	94,300	89,300	90,300
Stock Advances	828	436	599
Stock Declines	752	1,158	975
HSI	17,523	17,524	17,800
Change	-1	-276	-229

HSI Technical Indicators

10-days MA	17,822
50-days MA	18,325
250-days MA	17,510
14-days RSI	37.60
Primary resistance	17,800
Primary support	17,400

HSCEI Technical Indicators

10-days MA	6,384
50-days MA	6,514
250-days MA	6,051
14-days RSI	40.5
Primary resistance	6,600
Primary support	6,200

Stock Pick
China Mobile (941)
Target: \$82
Stop loss: \$73

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. Management expects CAPEX to decline over the next 2-3 years, which should help free cash flow of the Group to remain strong.

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.

SPDR Gold (2840)
Target: \$1800
Stop loss: \$-

U.S. non-farm payrolls increased by 206,000 in June. Although higher than market expectations, it was lower than the previous value. At the same time, non-farm employment data for May has revived downward sharply to 218,000 from the previously reported 272,000. The unemployment rate rose to 4.1% compared with market expectations and the previous value. The overall employment shows a cooling signal, increasing the possibility that the Federal Reserve will start cutting interest rates in the coming months.

Market Overview

Federal Reserve Chairman Jerome Powell said on Tuesday that keeping interest rates too high for too long could jeopardize economic growth. Powell cited some easing in inflation, saying policymakers remain committed to lowering it to their 2% target. "At the same time, in light of the progress made both in lowering inflation and in cooling the labor market over the past two years, elevated inflation is not the only risk we face," he said in prepared remarks. "Reducing policy restraint too late or too little could unduly weaken economic activity and employment."

Hong Kong Stock Connect had a net inflow of HK\$3.6bn on Tuesday, of which China Mobile (941) had the largest net inflow, reaching HK\$0.23bn; followed by Meituan (3690).HSBC (5) recorded the largest net outflow at HK\$0.30bn, followed by ZTE (763).

Daily Focus

Anta Sports (2020): The market has overreact

- After Anta Sports announced the 2Q24 sales data, its share price was weak. ANTA brand (ANTA) recorded high-single-digit growth yoy in the second quarter and mid-single-digit growth in the first half of the year, which was slightly lower than the expected high-single-digit growth (9.76%). The FILA brand recorded mid-single-digit growth yoy in the second quarter and high-single-digit growth in the first half, slightly worse than expected low-double-digit growth (11.9%). However, management pointed out that given the high base, the company has met their expectations, and future measures to further promote FILA's growth include store upgrades and enhanced sports categories. The retail sales of all other brand products in the second quarter recorded positive growth of 40-45% yoy. Positive growth of 35-40% was recorded in the first half of the year.
- The market response was negative, mainly due to disappointment with the performance of the FILA brand. However, we believe that the operating performance in the second quarter is not so negative, at least the inventory, discounts, and operating profit margin have not deteriorated. During the period, inventory levels remained stable and healthy, with core brand inventory levels remaining below 5 times. Anta core/other brand discounts improved yoy, and that of FILA remained stable. In terms of 1H24 margin trends, management emphasized that 1H24 OPM were better than expected despite the volatile retail environment. Advertising and promotion (A&P) spending will be more cautious. Core ANTA's OPM in the first half of the year was close to the 1H23 level (21.0%, slightly higher than market expectations); the FILA brand was close to the 2023 level (27.6%, higher than market expectations). Management is confident that it can achieve its full-year OPM target guidance.

Anta Sports (2020): Info	
Closed price	69.7
FY24 P/E (X)	14.25
FY24 Dividend yield (%)	3.62
52 week high	96.0
52 week low	60.2
14 RSI	21.56

Analyst: Cynthia Tam

Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
Balance (RMB bn)	63.88	61.77	78.31
Balance as % of Quota Amount	19.9	15.3	93.2

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
CNOOC	883	582,645,600	379,276,050	961,921,650
TENCENT	700	427,533,440	324,064,200	751,597,640
CHINA MOBILE	941	362,712,550	386,122,575	748,835,125
MEITUAN-W	3690	397,726,540	242,013,078	639,739,618
SMIC	981	290,020,760	230,840,160	520,860,920
CCB	939	336,597,700	178,383,310	514,981,010
XIAOMI-W	1810	176,071,920	223,033,032	399,104,952
ZIJIN MINING	2899	223,993,200	158,248,920	382,242,120
ZTE	763	150,624,012	229,443,880	380,067,892
HSBC HOLDINGS	5	5,718,160	308,767,380	314,485,540

Sources: HKEx

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
MEITUAN-W	3690	336,622,860	302,940,332	639,563,192
TENCENT	700	269,115,580	230,790,640	499,906,220
CHINA MOBILE	941	357,386,250	99,454,625	456,840,875
CNOOC	883	209,291,150	237,066,066	446,357,216
ICBC	1398	230,284,630	149,281,420	379,566,050
SMIC	981	175,968,470	156,025,502	331,993,972
XIAOMI-W	1810	189,447,704	94,229,568	283,677,272
ZTE	763	104,306,404	115,743,064	220,049,468
HUA HONG SEMI	1347	167,430,250	38,807,600	206,237,850
LI AUTO-W	2015	124,965,660	69,602,170	194,567,830

Sources: HKEx

Other Statistics

Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover(Billion)
TENCENT	700	0.63%	381.00	4.938
TRACKER FUND	2800	-0.17%	18.05	4.382
MEITUAN-W	3690	-1.97%	114.70	3.770
HSCEI ETF	2828	-0.40%	64.36	2.725
BABA-SW	9988	0.98%	72.50	2.451
CCB	939	0.19%	5.38	1.999
ICBC	1398	-0.46%	4.31	1.930
HSBC HOLDINGS	5	-0.52%	66.75	1.830
PING AN	2318	-0.85%	34.95	1.598
KUAISHOU-W	1024	4.04%	47.60	1.512

Ten Short Sell Stocks

Stock Name	Code	Short Sell Amount	Turnover	Short Sell Ratio
TENCENT	00700.HK	707.42M	2.48B	28.52%
MEITUAN-W	03690.HK	541.92M	2.08B	26.07%
TRACKER FUND	02800.HK	343.13M	2.33B	14.73%
ICBC	01398.HK	293.15M	1.20B	24.47%
CCB	00939.HK	280.50M	854.44M	32.83%
CSOP HS TECH	03033.HK	266.35M	690.39M	38.58%
BABA-SW	09988.HK	244.49M	1.10B	22.22%
HSCEI ETF	02828.HK	225.09M	1.37B	16.41%
HSBC HOLDINGS	00005.HK	184.75M	726.49M	25.43%
KUAISHOU-W	01024.HK	170.03M	729.79M	23.30%

Source: AA Stocks

Economic Calendars

Date	Country	Event	Survey	Prior
Wed	China	Jun. PPI (YoY)	-0.8%	-1.4%
		Jun. CPI (YoY)	0.4%	0.3%
Thu	US	Initial Jobless Claims (Till Jul 6)		238k
		Continuing Jobless Claims (Till Jun 29)		1,858k
		Jun. CPI (MoM)	0.1%	0.0%
		Jun. CPI (YoY)	3.1%	3.3%
		Jun. CPI Ex Food and Energy (MoM)	0.2%	0.2%
		Jun. CPI Ex Food and Energy (YoY)	3.4%	3.4%
Fri	US	Jul. University of Michigan Sentiment	67.0	68.2
		Jun. PPI (MoM)	0.1%	-0.2%
		Citigroup (C), JP Morgan (JPM) Results		
	China	Jun. Exports (YoY)	8.0%	7.6%
		Jun. Imports (YoY)	2.9%	1.8%
		Jun. Trade Balance (USD)	\$83.70b	\$82.62b

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