

Major Market Indicators

	10 Jul	9 Jul	8 Jul
Mkt. Turn.(mn)	102,300	94,300	89,300
Stock Advances	605	828	436
Stock Declines	930	752	1,158
HSI	17,472	17,523	17,524
Change	-52	-1	-276

HSI Technical Indicators

10-days MA	17,762
50-days MA	18,329
250-days MA	17,502
14-days RSI	36.62
Primary resistance	17,600
Primary support	17,200

HSCEI Technical Indicators

10-days MA	6,363
50-days MA	6,516
250-days MA	6,050
14-days RSI	39.10
Primary resistance	6,500
Primary support	6,000

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.

Zijin Mining (2899)
Target: \$20
Stop loss: \$16

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 Chair Jerome Powell said on Wednesday they will not cut interest rates until they have gained even greater confidence that inflation is headed back to the central bank's 2% target. The U.S. central bank will make interest rate decisions "when and as" they are needed, pushing back on a suggestion that a September rate cut could be seen as a political act ahead of the fall presidential election. Powell said recent data was encouraging. He emphasized that the risks to the job market are now on the same level as the risks of high inflation and that the Fed intends to achieve its goals of price stability and full employment simultaneously.

Hong Kong Stock Connect had a net inflow of HK\$0.86bn on Wednesday, of which China Mobile (941) had the largest net inflow, reaching HK\$0.21bn; followed by CCB (939).CNOOC (883) recorded the largest net outflow at HK\$0.31bn, followed by Shenhua (1088).

Daily Focus

Zijin Mining (2899): benefits from increase of both price and production volume

- Gold does not provide income, so the risk-free rate becomes the opportunity cost of holding gold. The price of gold is negatively correlated with real interest rates. The Eurozone has already started cutting rates, and we expect the US to follow suit this year. Falling Treasury yields is likely to support gold prices. Additionally, ongoing global risk events and concerns about the US fiscal situation may enhance gold's role as a safe haven. Moreover, central banks worldwide increasing their gold reserves further boosts demand.
- Investors bullish on gold may consider Gold mining stocks.
- Zijin Mining recently issued positive profit alert. It is estimated that the Company realized a net profit attributable to owners of the listed company of approx. RMB14.55-15.45bn for 1H24, representing an increase of approx. 41%-50% compared with the same period last year. The profit growth is explained by the increase of both price and production volume. The Company's production volume of mine-produced gold, copper and silver increased by 9.6%, 5.3% and 1.3% respectively. The upside for the sales prices of the mineral products remains. The share price correction provides an entry point for investors.

Zijin Mining (2899): Info	
Closed price	17.26
FY24 P/E (X)	14.42
FY24 Dividend yield (%)	2.18
52 week high	20.10
52 week low	10.70
14 RSI	53.0

Analyst: Cynthia Tam

Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
Balance (RMB bn)	57.42	55.27	81.13
Balance as % of Quota Amount	18.8	14.9	96.6

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
CNOOC	883	753,206,400	1,181,062,800	1,934,269,200
CHINA MOBILE	941	892,207,300	479,083,800	1,371,291,100
TENCENT	700	547,619,400	543,849,558	1,091,468,958
CHINA SHENHUA	1088	265,471,100	573,793,875	839,264,975
MEITUAN-W	3690	158,592,640	344,859,754	503,452,394
CCB	939	324,581,200	157,263,970	481,845,170
YANKUANG ENERGY	1171	153,111,920	198,816,800	351,928,720
CHINA UNICOM	762	227,722,740	115,233,280	342,956,020
XIAOMI-W	1810	179,646,768	149,674,324	329,321,092
ZIJIN MINING	2899	135,698,040	164,551,760	300,249,800

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	291,657,680	377,278,983	668,936,663
CNOOC	883	385,066,850	276,287,132	661,353,982
CHINA SHENHUA	1088	325,353,300	256,052,759	581,406,059
CHINA MOBILE	941	119,017,625	321,031,003	440,048,628
XIAOMI-W	1810	197,964,120	237,024,658	434,988,778
MEITUAN-W	3690	189,049,990	160,147,852	349,197,842
YANKUANG ENERGY	1171	110,383,000	146,874,217	257,257,217
CGN POWER	1816	130,311,460	108,878,270	239,189,730
KUAISHOU-W	1024	105,753,225	117,902,030	223,655,255
ICBC	1398	68,858,550	147,075,060	215,933,610

Sources: HKEx

Other Statistics

Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover(Billion)
TRACKER FUND	2800	-0.17%	18.02	6.360
TENCENT	700	-0.89%	377.60	5.940
HSCEI ETF	2828	-0.16%	64.26	4.893
MEITUAN-W	3690	0.17%	114.90	3.591
BIDU-SW	9888	10.14%	95.05	3.138
CNOOC	883	-3.49%	22.15	2.695
BABA-SW	9988	0.83%	73.10	2.646
CCB	939	0.93%	5.43	2.105
AIA	1299	1.07%	52.00	2.051
CHINA MOBILE	941	-0.85%	75.85	1.915

Ten Short Sell Stocks

Stock Name	Code	Short Sell Amount	Turnover	Short Sell Ratio
TRACKER FUND	02800.HK	1.87B	6.36B	29.40%
TENCENT	00700.HK	1.53B	5.94B	25.72%
CSOP HS TECH	03033.HK	1.17B	1.80B	64.86%
MEITUAN-W	03690.HK	870.38M	3.59B	24.24%
CCB	00939.HK	833.83M	2.11B	39.61%
BIDU-SW	09888.HK	569.96M	3.14B	18.16%
ICBC	01398.HK	552.22M	1.40B	39.33%
BABA-SW	09988.HK	535.40M	2.65B	20.23%
BYD COMPANY	01211.HK	534.46M	1.64B	32.50%
CNOOC	00883.HK	424.59M	2.70B	15.75%

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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