



Major Market Indicators

	15 Jul	12 Jul	11 Jul
Mkt. Turn.(mn)	91,100	119,400	100,400
Stock Advances	512	1,013	1,100
Stock Declines	1,028	615	489
HSI	18,016	18,293	17,832
Change	-277	+461	+361

HSI Technical Indicators

10-days MA	17,824
50-days MA	18,349
250-days MA	17,491
14-days RSI	50.70
Primary resistance	18,200
Primary support	17,800

HSCEI Technical Indicators

10-days MA	6,382
50-days MA	6,526
250-days MA	6,050
14-days RSI	50.20
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.

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 Chairman Jerome Powell was tightlipped on Monday on when the Fed might start cutting interest rates, but the chairman was more focused on the labor market. In addition, Powell said that recent inflation data have strengthened the Fed's confidence in curbing inflation, suggesting that the Fed is moving towards cutting interest rates. "The second quarter, actually, we did make some more progress. We've now had three better readings ... and if you average them, that's a pretty good pace," Powell said at the Economic Club of Washington D.C.

Hong Kong Stock Connect had a net inflow of HK\$4.87bn on Monday, of which Tracker Fund (2800) had the largest net inflow, reaching HK\$1.19bn; followed by HSCEI ETF (2828). China Hongqiao (1378) recorded the largest net outflow at HK\$0.37bn, followed by CNOOC (883).

Daily Focus

SPDR Gold (2840): Benefit from the increase likelihood of Fed rate cut

- The US Consumer Price Index (CPI) in June rose 3.0% year-over-year, lower than the previous month's 3.3% and the expected 3.1%. On a monthly basis, inflation declined 0.1%, the first decline since the pandemic. Excluding energy and food prices, core CPI rose 3.3%, lower than the previous month and the expected 3.4%, in line with the Fed's indication that "inflation is progressing towards the target". The easing of inflation has made the market more optimistic about rate cuts. The CME Group's Fed Watch tool indicates that the probability of a 25-basis point rate cut in September has risen to >90%; the probability of totaling 50 basis points by the end of the year has also increased to >50%.
- 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; historically, when interest rates rise, gold prices fall. 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 allocating to gold ETFs such as SPDR Gold Shares. SPDR Gold Shares is an ETF that tracks LBMA Gold Prices. As a physically gold-backed ETF, the price changes in SPDR Gold Shares mirror the trend of gold prices. The advantages of the ETF also include liquidity and flexibility.

SPDR Gold (2840): Info	
Closed price	1737
FY24 P/E (X)	-
FY24 Dividend yield (%)	-
52 week high	1770
52 week low	1318
14 RSI	63.83

Analyst: Cynthia Tam

Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
Balance (RMB bn)	52.10	48.13	77.47
Balance as % of Quota Amount	19.4	14.44	92.2

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	818,328,650	419,314,175	1,237,642,825
TENCENT	700	523,470,580	425,928,470	949,399,050
CNOOC	883	305,040,950	424,409,350	729,450,300
TRACKER FUND	2800	628,797,685	7,786,885	636,584,570
CCB	939	297,945,440	274,544,260	572,489,700
GENSCRIPT BIO	1548	254,216,960	229,228,880	483,445,840
ICBC	1398	305,570,470	101,827,850	407,398,320
CHINA SHENHUA	1088	174,277,050	191,547,075	365,824,125
CHINAHONGQIAO	1378	37,271,020	296,849,880	334,120,900
HSCEI ETF	2828	320,236,900	3,003,404	323,240,304

Sources: HKEx

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
CNOOC	883	345,400,700	352,706,300	698,107,000
TRACKER FUND	2800	576,819,935	3,963,535	580,783,470
TENCENT	700	266,062,500	289,805,692	555,868,192
GENSCRIPT BIO	1548	159,739,160	249,415,795	409,154,955
CHINA MOBILE	941	102,378,700	303,716,225	406,094,925
HSCEI ETF	2828	292,482,456	520,780	293,003,236
CSOP HS TECH	3033	261,865,450	5,497,696	267,363,146
MEITUAN-W	3690	180,228,570	70,075,127	250,303,697
CHINAHONGQIAO	1378	48,541,890	167,543,560	216,085,450
CHINA SHENHUA	1088	163,573,450	35,644,225	199,217,675

Sources: HKEx

Other Statistics

Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover(Billion)
TRACKER FUND	2800	-1.49%	18.58	6.361
TENCENT	700	-1.71%	390.20	5.356
HSCEI ETF	2828	-1.76%	65.94	3.578
BABA-SW	9988	-2.23%	76.65	3.107
MEITUAN-W	3690	-2.22%	119.10	2.457
CCB	939	-0.71%	5.62	2.062
CSOP HS TECH	3033	-2.64%	3.61	1.914
BIDU-SW	9888	-5.58%	93.95	1.816
AIA	1299	-0.36%	55.40	1.581
ICBC	1398	-0.67%	4.45	1.512

Ten Short Sell Stocks

Stock Name	Code	Short Sell Amount	Turnover	Short Sell Ratio
TENCENT	00700.HK	502.39M	2.66B	18.87%
CCB	00939.HK	453.35M	1.01B	44.78%
CSOP HS TECH	03033.HK	395.03M	1.21B	32.60%
ICBC	01398.HK	285.33M	741.75M	38.47%
BABA-SW	09988.HK	282.26M	1.54B	18.33%
MEITUAN-W	03690.HK	274.44M	1.21B	22.73%
BIDU-SW	09888.HK	256.99M	808.99M	31.77%
TRACKER FUND	02800.HK	240.82M	4.14B	5.81%
XL2CSOPHSTECH	07226.HK	203.79M	520.54M	39.15%
AIA	01299.HK	185.35M	955.76M	19.39%

Source: AA Stocks

Economic Calendars

Date	Country	Event	Survey	Prior
Mon	US	Goldman Sachs (GS) Result		
	China	2Q. GDP YTD (YoY)	5.2%	5.3%
		Jun. Fixed Asset Ex Rural YTD (YoY)	3.8%	4.0%
		Jun. Industrial Production (YoY)	4.8%	5.6%
		Jun. Retail Sales (YoY)	3.3%	3.7%
Tue	US	Jun. Retail Sales Ex Auto (MoM)	0.1%	-0.1%
		Bank of American (BAC), Morgan Stanley (MS) Results		
Wed	US	Jun. Housing Starts	1,300k	1,277k
	US	Jun. Building Permits	1,395k	1,399k
		ASML (ASML) Result		
Thu	Euro Zone	Jun. CPI (YoY) Final	2.5%	2.5%
		Jun. CPI (MoM) Final	0.2%	0.2%
	US	Initial Jobless Claims (Till Jul 13)		222k
		Continuing Jobless Claims (Till Jul 6)		1,852k
		U.S. Federal Reserve Releases Beige Book		
		Jul. Philadelphia Fed Business Outlook	2.9	1.3
Fri	US	ECB Monetary Policy Meeting		
		American Express (AXP), Netflix (NFLX) Results		

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