

Major Market Indicators

	16 Jul	15 Jul	12 Jul
Mkt. Turn.(mn)	94,200	91,100	119,400
Stock Advances	601	512	1,013
Stock Declines	941	1,028	615
HSI	17,728	18,016	18,293
Change	-288	-277	+461

HSI Technical Indicators

10-days MA	17,820
50-days MA	18,339
250-days MA	17,488
14-days RSI	45.31
Primary resistance	17,800
Primary support	17,400

HSCEI Technical Indicators

10-days MA	6,376
50-days MA	6,524
250-days MA	6,050
14-days RSI	45.09
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.

FA CSOP BTC (3066)

Target: \$26

Stop loss: \$22

The market believes that Trump has a more favorable attitude towards cryptocurrencies, so his leading electoral position is beneficial for cryptocurrencies. Additionally, looking back at the first half of the US stock market, capital has been concentrated on the AI theme. While the AI hype will not subside in the second half, as valuations are relatively high, some profit-taking capital has started to shift to other sectors or asset classes, including cryptocurrencies.

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

U.S. retail sales in June were flat from the previous month, with the data stronger than the expected 0.3% decline. At the same time, the World Economic Outlook (WEO) predicts that global economic growth this year will be consistent with the forecast in April 2024, reaching 3.2%. Services inflation has hampered progress in lowering inflation and complicated the normalization of monetary policy. The chief economist of the IMF warned that progress in controlling inflation may still stall amid high service prices, dashing hopes of an early interest rate cut.

Hong Kong Stock Connect had a net inflow of HK\$6.12bn on Tuesday of which Tencent (700) had the largest net inflow, reaching HK\$1.29bn; followed by Tracker Fund (2800). HKEX (388) recorded the largest net outflow at HK\$0.32bn, followed by Kuaishou (1024).

Daily Focus

FA CSOP BTC (3066): Trump has a more favorable attitude towards cryptocurrencies

- On July 13th (Saturday), US President Trump was attacked by gunfire at a rally in Pennsylvania. This incident could boost Trump's electoral prospects, as he was injured but not seriously, which could give him a heroic image in contrast to the "weak" image of Biden. We believe this event will have little impact on the stock market, and will only reinforce the market's view that Trump is likely to win, with his policies being the main focus for investment considerations.
- The market believes that Trump has a more favorable attitude towards cryptocurrencies, so his leading electoral position is beneficial for cryptocurrencies. Additionally, looking back at the first half of the US stock market, capital has been concentrated on the AI theme. While the AI hype will not subside in the second half, as valuations are relatively high, some profit-taking capital has started to shift to other sectors or asset classes, including cryptocurrencies.
- Currently, the market's acceptance of virtual assets is increasing, with even institutional investors allocating to related products. Compared to directly trading related assets on cryptocurrency exchanges, investors can avoid the hassle of opening accounts and wallets by investing in related ETFs, making the transaction process as convenient as trading Hong Kong stocks. Of course, virtual asset prices tend to be highly volatile, so investors may be better off adopting average dollar costing strategy.

FA CSOP BTC (3066): Info	
Closed price	23.76
FY24 P/E (X)	-
FY24 Dividend yield (%)	-
52 week high	29.38
52 week low	10.72
14 RSI	51.41

Analyst: Cynthia Tam

Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
Balance (RMB bn)	56.09	53.15	75.94
Balance as % of Quota Amount	20.1	14.7	90.4

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
TENCENT	700	1,263,168,320	662,586,548	1,925,754,868
CHINA MOBILE	941	772,678,850	268,881,375	1,041,560,225
CNOOC	883	379,868,800	551,283,666	931,152,466
CCB	939	443,532,430	391,337,740	834,870,170
PING AN	2318	352,185,200	152,695,850	504,881,050
MEITUAN-W	3690	266,089,970	237,475,410	503,565,380
SUNNY OPTICAL	2382	256,099,795	137,810,228	393,910,023
ICBC	1398	265,298,630	95,878,120	361,176,750
CHINA SHENHUA	1088	160,609,850	183,416,150	344,026,000
SMIC	981	163,543,180	148,634,370	312,177,550

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	1,083,376,160	395,621,258	1,478,997,418
TRACKER FUND	2800	693,672,195	777,955	694,450,150
CNOOC	883	413,163,900	176,057,974	589,221,874
HKEX	388	26,476,980	351,630,940	378,107,920
CHINA MOBILE	941	136,853,300	201,410,900	338,264,200
XIAOMI-W	1810	252,537,840	50,035,328	302,573,168
MEITUAN-W	3690	233,850,740	65,703,007	299,553,747
KUAISHOU-W	1024	107,270,370	173,920,211	281,190,581
PING AN	2318	187,503,250	75,874,257	263,377,507
KINGDEE INT'L	268	140,341,610	108,728,789	249,070,399

Sources: HKEx

Other Statistics

Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover(Billion)
TENCENT	700	-3.13%	378.00	7.267
TRACKER FUND	2800	-1.62%	18.28	4.538
PING AN	2318	-5.41%	34.10	4.323
HSCEI ETF	2828	-1.70%	64.82	2.965
BABA-SW	9988	-1.50%	75.50	2.517
MEITUAN-W	3690	-1.34%	117.50	2.202
CCB	939	-2.67%	5.47	2.054
CHINA MOBILE	941	-0.26%	76.80	1.437
CNOOC	883	-0.89%	22.30	1.413
HKEX	388	-2.34%	241.80	1.404

Ten Short Sell Stocks

Stock Name	Code	Short Sell Amount	Turnover	Short Sell Ratio
PING AN	02318.HK	678.13M	2.23B	30.44%
TRACKER FUND	02800.HK	503.99M	1.82B	27.73%
TENCENT	00700.HK	502.34M	2.60B	19.33%
MEITUAN-W	03690.HK	421.31M	1.19B	35.51%
HSCEI ETF	02828.HK	412.75M	1.67B	24.77%
CCB	00939.HK	367.59M	740.97M	49.61%
BABA-SW	09988.HK	331.71M	1.11B	29.87%
ICBC	01398.HK	244.50M	622.22M	39.30%
XL2CSOPHSTECH	07226.HK	211.83M	563.10M	37.62%
CSOP HS TECH	03033.HK	206.87M	761.38M	27.17%

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%
		Initial Jobless Claims (Till Jul 13)		222k
		Continuing Jobless Claims (Till Jul 6)		1,852k
	US	U.S. Federal Reserve Releases Beige Book		
Fri	Euro Zone	Jul. Philadelphia Fed Business Outlook	2.9	1.3
		ECB Monetary Policy Meeting		
	US	American Express (AXP), Netflix (NFLX) Results		

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