

**Major Market Indicators**

	19 Jul	18 Jul	17 Jul
Mkt. Turn.(mn)	102,000	87,500	105,000
Stock Advances	410	738	704
Stock Declines	1,158	719	850
HSI	17,418	17,778	17,739
Change	-361	+39	+11

**HSI Technical Indicators**

10-days MA	17,732
50-days MA	18,287
250-days MA	17,476
14-days RSI	39.94
Primary resistance	17,600
Primary support	17,200

**HSCEI Technical Indicators**

10-days MA	6,322
50-days MA	6,506
250-days MA	6,050
14-days RSI	38.39
Primary resistance	6,400
Primary support	6,200

**Stock Pick**
**China Mobile (941)**
**Target: \$82**
**Stop loss: \$69**

Most SOE share prices were soft recently, the price dips offer entry opportunities for investors. We continue to recommend this stock as we like its stable earnings growth, and clear dividend policy. Also, it can benefit from market cap management of state-owned enterprises. In June, the total number of mobile customers of China Mobile was 1000 million, with a net increase of 1.81 million customers in a month. Meanwhile, with a continuously rising share of revenue contribution from digital transformation, the revenue structure of China Mobile has become more balanced and robust, and the momentum of sustainable growth has been enhanced. 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.

**AIA(1299)**
**Target: \$62**
**Stop loss: \$50**

Fundamentally sound, its new business value in the first quarter recorded USD1.327 billion, a record quarterly high, a yoy increase of 31% at constant exchange rate basis (CER) and an increase of 27% at actual exchange rates (AER). All reportable segments achieved double-digit VONB growth. VONB margin was at 54.2%, an increase of 2.1% yoy at CER, and an increase of 1.9% at AER. Annualized new premiums were USD2.449 billion, an increase of 26% yoy at CER, and an increase of 23% based at AER.

**Market Overview**

Over the weekend, current US President Biden announced his drop out of the 2024 US presidential election and will focus on completing his presidential responsibilities during his term. In fact, Biden's performance in previous election debates has already caused the market to question whether Biden is qualified to be president. Biden's withdrawal decision might be the best outcome for the Democratic Party, but for the market, the competition between the new Democratic presidential candidate and Trump will bring uncertainty to the market.

Hong Kong Stock Connect saw a net inflow of HK\$6.12 billion on Friday, of which Tracker Fund (2800) had the largest inflow, reaching HK\$1.13 billion; followed by Tencent (700). Hong Kong Stock Exchange (388) recorded the largest net outflow of HK\$138 million; followed by China Hongqiao (1378).

## Daily Focus

### China Mobile (941): Visible dividend policy

- Most SOE share prices were soft recently, the price dips offer entry opportunities for investors. We continue to recommend this stock as we like its stable earnings growth, and clear dividend policy. Also, it can benefit from market cap management of state-owned enterprises.
- In 1Q24, operating revenue of China Mobile was RMB263.7bn, up by 5.2% yoy; of which, revenue from telecommunications services was RMB219.3bn, up by 4.5% yoy. In June, the total number of mobile customers of China Mobile was 1000 million, with a net increase of 1.81 million customers in a month. The net increase in the first six months was 9.25 million. The total number of 5G network customers is 514 million. For the “Business” market, the Group focused its efforts on the integrated development of network, cloud and DICT (data, information and communications technology). It fully leveraged its advantage in cloud and network resources and maintained strong revenue growth momentum. With a continuously rising share of revenue contribution from digital transformation, the revenue structure of China Mobile has become more balanced and robust, and the momentum of sustainable growth has been enhanced.
- Management expects CAPEX to decline over the next 2-3 years, which should help free cash flow of the Group to remain strong.

China Mobile (941): Info	
Closed price	75.0
FY24 P/E (X)	10.67
FY24 Dividend yield (%)	6.81
52 week high	79.0
52 week low	60.9
14 RSI	46.71

Analyst: Cynthia Tam

## Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
<b>Balance (RMB bn)</b>	65.00	52.11	75.83
<b>Balance as % of Quota Amount</b>	20.4	14.9	90.3

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
CNOOC	883	1,069,416,350	1,187,749,945	2,257,166,295
TENCENT	700	1,213,696,800	765,281,840	1,978,978,640
CHINA MOBILE	941	942,780,050	847,341,700	1,790,121,750
TRACKER FUND	2800	678,837,990	59,899,180	738,737,170
SMIC	981	323,567,530	289,134,706	612,702,236
CCB	939	490,910,870	114,375,755	605,286,625
SINOPEC CORP	386	388,510,420	65,393,731	453,904,151
CHINA TELECOM	728	262,363,200	187,678,852	450,042,052
HUA HONG SEMI	1347	180,185,650	224,627,700	404,813,350
XIAOMI-W	1810	248,938,276	112,042,668	360,980,944

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	945,144,550	909,964,452	1,855,109,002
TENCENT	700	661,752,360	269,131,668	930,884,028
TRACKER FUND	2800	522,437,100	14,573,695	537,010,795
SMIC	981	222,416,470	79,534,943	301,951,413
MEITUAN-W	3690	105,855,640	193,561,805	299,417,445
HSCEI ETF	2828	265,456,532	127,048	265,583,580
CHINA MOBILE	941	145,755,950	90,977,589	236,733,539
XIAOMI-W	1810	144,929,276	79,256,636	224,185,912
CHINAHONGQIAO	1378	51,279,145	171,692,865	222,972,010
HKEX	388	29,231,480	166,990,954	196,222,434

Sources: HKEx

## Other Statistics

### Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover(Billion)
TENCENT	700	-1.41%	364.00	8.437
TRACKER FUND	2800	-1.91%	17.98	5.323
CNOOC	883	-4.87%	20.50	4.102
MEITUAN-W	3690	-1.59%	117.50	3.506
BABA-SW	9988	-2.64%	73.80	3.173
HSCEI ETF	2828	-2.25%	63.34	3.071
CCB	939	-2.56%	5.34	2.206
CHINA MOBILE	941	-1.12%	75.00	1.988
PETROCHINA	857	-4.69%	7.11	1.631
BYD COMPANY	1211	0.58%	243.00	1.555

## Ten Short Sell Stocks

Stock Name	Code	Short Sell Amount	Turnover	Short Sell Ratio
TRACKER FUND	02800.HK	1.28B	2.86B	44.77%
TENCENT	00700.HK	1.10B	3.75B	29.37%
MEITUAN-W	03690.HK	661.93M	1.68B	39.37%
CNOOC	00883.HK	513.57M	2.38B	21.56%
CCB	00939.HK	422.84M	1.26B	33.47%
BABA-SW	09988.HK	371.04M	1.59B	23.34%
XL2CSOPHSTECH	07226.HK	364.33M	504.27M	72.25%
HSBC HOLDINGS	00005.HK	356.48M	835.51M	42.67%
ICBC	01398.HK	304.76M	711.90M	42.81%
BYD COMPANY	01211.HK	288.01M	590.05M	48.81%

Source: AA Stocks

## Economic Calendars

Date	Country	Event	Survey	Prior
Mon	China	5-Year Loan Prime Rate	39.5%	39.5%
		1-Year Loan Prime Rate	3.45%	3.45%
Tue	US	Jun. Existing Home Sales	4.00m	4.11m
		Alphabet A (GOOGL), Coca-Cola (KO), General Electric (GE), Tesla (TSLA), Visa (V) Results		
Wed	US	Jul. S&P Global Manufacturing PMI		51.6
		Jul. S&P Global Services PMI		55.3
		Jun. New Home Sales	640k	619k
		AT&T (T), IBM (IBM) Results		
	Euro Zone	Jul. HCOB Manufacturing PMI	46.3	45.8
		Jul. HCOB Services PMI	53.0	52.8
		Initial Jobless Claims (Till Jul 20)		243k
Thu	US	Continuing Jobless Claims (Till Jul 13)		1,867k
		2Q. GDP Annualized (QoQ)	1.8%	1.4%
Fri	US	Jun. Durable Goods Orders	0.5%	0.1%
		Jun. Personal Income	0.4%	0.5%
		Jun. Personal Spending	0.2%	0.2%
		Jul. University of Michigan Sentiment (Final)		66.0
		Jun. PCE Price Index (MoM)	0.1%	0.0%
		Jun. PCE Price Index (YoY)	2.5%	2.6%
		Jun. Core PCE Price Index (MoM)	0.2%	0.1%
		Jun. Core PCE Price Index (MoM)	2.6%	2.6%
		3M (MMM) Result		

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