Major Market Indicators

	22 Jul	19 Jul	18 Jul
Mkt. Turn.(mn)	93,400	102,000	87,500
Stock Advances	817	410	738
Stock Declines	709	1,158	719
HSI	17,636	17,418	17,778
Change	+218	-361	+39

HSI Technical Indicators

10-days MA	17,744
50-days MA	18,274
250-days MA	17,469
14-days RSI	45.23
Primary resistance	17,800
Primary support	17,400

HSCEI Technical Indicators

10-days MA	6,319
50-days MA	6,502
250-days MA	6,048
14-days RSI	46.81
Primary resistance	6,600
Primary support	6,200

Stock Pick

TTI (669)

Target: $110

Stop loss: $92

Techtronic Industries is mainly engaged in power tools and floor care business, and its core brands include MILWAUKEE and RYOBI. In terms of revenue in 2023, the North American market revenue will account for as high as 76.6%. Demand for housing in the United States remains strong at present. This is due to low levels of available housing inventory. The U.S. housing vacancy rate fell to 0.8% in the first quarter of 2024 (0.9% in the fourth quarter of 2023), which is only 0.1 ppts higher than the historical low. The market predicts that the Federal Reserve will start a rate cut cycle in the third quarter. When mortgage interest rates fall, it is expected that some capital flow will shift to the real estate industry.

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.

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.

Market Overview

As corporate earnings season kicks off, investors will be paying close attention to reports on Tuesday from well-known companies such as General Motors, Coca-Cola, Comcast, UPS and Spotify. Technology giants Alphabet and Tesla, as well as toy maker Mattel, are expected to report earnings after the close. Traders will also look to Tuesday's economic data on existing home sales.

Hong Kong Stock Connect had a net outflow of HK3.69bn on Monday of which Tracker Fund (2800) had the largest net inflow, reaching HK$1.29bn; followed by Tencent (700). Meituan (3690) recorded the largest net outflow at HK$0.32n, followed by Xiaomi (1810)..

Daily Focus

TTI (669): Can benefit from the potential decline of mortgage rate

TTI (669): Info	
Closed price	98.10
FY24 P/E (X)	20.46
FY24 Dividend yield (%)	2.10
52 week high	116.10
52 week low	67.35
14 RSI	56.96

➢ Techtronic Industries is mainly engaged in power tools and floor care business, and its core brands include MILWAUKEE and RYOBI. In terms of revenue in 2023, the North American market revenue will account for as high as 76.6%. Demand for housing in the United States remains strong at present. This is due to low levels of available housing inventory. The U.S. housing vacancy rate fell to 0.8% in the first quarter of 2024 (0.9% in the fourth quarter of 2023), which is only 0.1 ppts higher than the historical low. The market predicts that the Federal Reserve will start a rate cut cycle in the third quarter. When mortgage interest rates fall, it is expected that some capital flow will shift to the real estate industry. Accordingly, the home decoration industry will also benefit from the future recovery of the real estate market.

➢ The company has competitive advantages in innovative rechargeable technology and new product development. As many jurisdictions begin to restrict noise and carbon emissions, the demand for the transformation of plug-in products is increasing. For example, the state of Colorado in the United States provides rebates to consumers for purchasing rechargeable outdoor electric equipment to encourage the public to use rechargeable products.

➢ Since 2018, the company has expanded its production operations beyond its Chinese production plants and established start-up plants in Vietnam, Mexico and the United States. Diversification of manufacturing facilities enables companies to mitigate supply chain risks amid global decoupling trends.

Analyst: Cynthia Tam

Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
Balance (RMB bn)	62.56	48.86	77.97
Balance as % of Quota Amount	19.8	14.4	92.8

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
CNOOC	883	1,008,743,260	960,268,149	1,969,011,409
TENCENT	700	1,196,240,980	471,910,400	1,668,151,380
CHINA MOBILE	941	643,254,825	584,285,240	1,227,540,065
TRACKER FUND	2800	905,479,110	25,319,085	930,798,195
MEITUAN-W	3690	203,271,430	556,651,239	759,922,669
XIAOMI-W	1810	305,490,912	394,998,992	700,489,904
CCB	939	335,622,770	177,303,555	512,926,325
SMIC	981	159,853,270	165,188,510	325,041,780
SUNNY OPTICAL	2382	183,917,275	135,222,465	319,139,740
CHINA UNICOM	762	160,825,240	144,969,500	305,794,740

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	711,634,020	425,008,098	1,136,642,118
CNOOC	883	507,205,950	585,834,112	1,093,040,062
MEITUAN-W	3690	305,092,910	274,683,317	579,776,227
XIAOMI-W	1810	229,827,244	215,990,237	445,817,481
TRACKER FUND	2800	423,781,880	17,773,020	441,554,900
CSOP HS TECH	3033	283,686,840	6,317,294	290,004,134
CHINA MOBILE	941	192,977,425	92,421,297	285,398,722
SUNNY OPTICAL	2382	182,274,865	57,436,820	239,711,685
SENSETIME-W	20	129,545,070	96,378,302	225,923,372
SMIC	981	164,721,100	60,365,011	225,086,111

Sources: HKEx

Other Statistics

Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover(Billion)
TRACKER FUND	2800	1.34%	18.22	6.565
TENCENT	700	2.53%	373.20	6.309
HSCEI ETF	2828	1.55%	64.32	4.299
MEITUAN-W	3690	3.23%	121.30	3.695
CNOOC	883	-0.24%	20.45	3.358
CSOP HS TECH	3033	1.95%	3.55	2.687
BABA-SW	9988	1.29%	74.75	2.528
XIAOMI-W	1810	4.24%	17.22	2.016
BYD COMPANY	1211	1.24%	246.00	1.799
SUNNY OPTICAL	2382	1.04%	48.75	1.748

Ten Short Sell Stocks

Stock Name	Code	Short Sell Amount	Turnover	Short Sell Ratio
TENCENT	00700.HK	808.63M	3.17B	25.52%
TRACKER FUND	02800.HK	657.04M	2.90B	22.65%
MEITUAN-W	03690.HK	545.96M	2.01B	27.22%
HSCEI ETF	02828.HK	460.10M	2.91B	15.81%
CNOOC	00883.HK	355.58M	2.34B	15.20%
SUNNY OPTICAL	02382.HK	266.90M	1.22B	21.96%
CCB	00939.HK	228.38M	698.67M	32.69%
XIAOMI-W	01810.HK	181.22M	1.01B	17.88%
BANK OF CHINA	03988.HK	172.12M	411.03M	41.88%
BABA-SW	09988.HK	171.31M	1.28B	13.43%

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
Thu	US	Initial Jobless Claims (Till Jul 20)		243k
		Continuing Jobless Claims (Till Jul 13)		1,867k
		2Q. GDP Annualized (QoQ)	1.8%	1.4%
		Jun. Durable Goods Orders	0.5%	0.1%
Fri	US	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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