

### Major Market Indicators

	24 Jul	23 Jul	22 Jul
Mkt. Turn.(mn)	86,900	85,800	93,400
Stock Advances	516	482	817
Stock Declines	956	1,052	709
HSI	17,311	17,469	17,636
Change	-15	-167	+218

### HSI Technical Indicators

10-days MA	17,722
50-days MA	18,219
250-days MA	17,455
14-days RSI	39.47
Primary resistance	17,500
Primary support	17,000

### HSCEI Technical Indicators

10-days MA	6,300
50-days MA	6,483
250-days MA	6,046
14-days RSI	39.00
Primary resistance	6,500
Primary support	6,000

### 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.

#### CCB (939)

**Target: \$6.3**

**Stop loss: \$5**

Multiple departments have launched a "combination" of policies on finance, land, and existing commodity housing, and various localities have timely optimized and adjusted real estate policies based on local realities. The policies may help real estate market to rebuild confidence and move out from the adjustment period. The real estate-related policy support will also have a positive impact on domestic banks. CCB's non-performing loan ratio in the 1Q24 was 1.36%, a decrease of 0.01ppts from the end of last year. The company's financial situation is stable and it will distribute interim dividends in the future. With a dividend yield of over 7%, the share is defensive.

#### 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

According to FactSet, more than 25% of S&P 500 companies have announced second-quarter results, and about 80% of them have exceeded expectations. Still, Wall Street takes these reports from large-cap stocks particularly seriously because they have accounted for much of this year's gains. Weaker-than-expected U.S. manufacturing data on Wednesday heightened investor concerns. The preview value of the U.S. manufacturing PMI fell to 49.5 in July, unexpectedly falling into contraction territory due to declines in new orders, production and inventories.

Hong Kong Stock Connect had a net outflow of HK0.07bn on Wednesday of which ICBC (1398) had the largest net inflow, reaching HK\$3.24bn; followed by Sinopec (386). Meituan (3690) recorded the largest net outflow at HK\$6.31bn, followed by Tencent (700).

## 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%.
- 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)	
Closed price	1742.5
FY24 P/E (X)	-
FY24 Dividend yield (%)	-
52 week high	1791
52 week low	1318
14 RSI	56.43

Analyst: Cynthia Tam

## Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
<b>Balance (RMB bn)</b>	57.17	50.88	81.96
<b>Balance as % of Quota Amount</b>	19.8	15.0	97.6

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
TENCENT	700	709,334,820	600,851,301	1,310,186,121
CHINA MOBILE	941	342,332,875	648,536,350	990,869,225
CNOOC	883	436,231,400	524,088,025	960,319,425
MEITUAN-W	3690	309,591,990	503,967,894	813,559,884
XIAOMI-W	1810	224,237,776	302,061,532	526,299,308
CCB	939	248,865,570	117,108,380	365,973,950
ICBC	1398	251,247,320	112,336,660	363,583,980
CHINA RES BEER	291	238,049,350	117,183,250	355,232,600
SINOPEC CORP	386	236,400,760	71,286,720	307,687,480
LI AUTO-W	2015	124,679,785	166,274,325	290,954,110

Sources: HKEx

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
MEITUAN-W	3690	331,192,160	767,945,484	1,099,137,644
TENCENT	700	292,728,000	649,695,040	942,423,040
CNOOC	883	291,552,000	265,605,432	557,157,432
XIAOMI-W	1810	222,831,112	177,151,280	399,982,392
CHINA MOBILE	941	264,660,075	72,509,025	337,169,100
KUAISHOU-W	1024	82,581,200	150,396,704	232,977,904
ICBC	1398	204,909,120	18,938,330	223,847,450
CHINA RES BEER	291	65,813,425	148,322,763	214,136,188
HKEX	388	15,343,740	187,711,800	203,055,540
GWMOTOR	2333	18,941,130	179,553,920	198,495,050

Sources: HKEx

## Other Statistics

### Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover(Billion)
MEITUAN-W	3690	-4.06%	113.30	4.895
TENCENT	700	-0.82%	363.20	4.297
TRACKER FUND	2800	-0.78%	17.88	3.511
HSCEI ETF	2828	-0.75%	63.18	2.940
AIA	1299	-3.91%	51.60	2.821
BABA-SW	9988	0.14%	74.20	1.815
CNOOC	883	1.23%	20.60	1.695
XIAOMI-W	1810	-2.48%	16.54	1.519
CCB	939	0.37%	5.50	1.513
BYD COMPANY	1211	-2.27%	233.00	1.417

## Ten Short Sell Stocks

Stock Name	Code	Short Sell Amount	Turnover	Short Sell Ratio
TRACKER FUND	02800.HK	1.23B	3.51B	34.93%
MEITUAN-W	03690.HK	1.20B	4.89B	24.58%
CSOP HS TECH	03033.HK	656.56M	1.13B	58.08%
CCB	00939.HK	507.33M	1.51B	33.53%
ICBC	01398.HK	497.90M	1.33B	37.56%
AIA	01299.HK	463.39M	2.82B	16.43%
TENCENT	00700.HK	435.14M	4.30B	10.13%
XL2CSOPHSTECH	07226.HK	422.55M	758.94M	55.68%
CHINA RES BEER	00291.HK	421.31M	1.15B	36.66%
BYD COMPANY	01211.HK	409.99M	1.42B	28.93%

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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