

Major Market Indicators

	31 Jul	30 Jul	29 Jul
Mkt. Turn.(mn)	118,900	90,000	84,700
Stock Advances	1,123	481	728
Stock Declines	431	4,049	749
HSI	17,345	17,003	17,238
Change	+342	-235	+217

HSI Technical Indicators

10-days MA	17,322
50-days MA	17,996
250-days MA	17,417
14-days RSI	44.98
Primary resistance	17,600
Primary support	17,200

HSCEI Technical Indicators

10-days MA	6,126
50-days MA	6,402
250-days MA	6,039
14-days RSI	41.62
Primary resistance	6,200
Primary support	5,800

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.

Haier (6690)

Target: \$30

Stop loss: \$24

According to the "Certain Measures on Increasing Support for Large-scale Equipment Renewal and Consumer Goods Trade-in" issued by the National Development and Reform Commission (NDRC) and the Ministry of Finance (MOF), individual consumers who purchase refrigerators, washing machines, televisions, air conditioners, computers, water heaters, household stoves and range hoods with Grade 2 and above energy efficiency or water efficiency standards will be given a subsidy for replacing old appliances with new ones. Overall, policies such as the trade-in of consumer goods will continue to be the engine of economic growth this year. It provides catalyst for the consumer goods sector. Haier Smart Home can be benefitted.

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.

Market Overview

Fed kept interest rates steady on Wednesday but acknowledged recent progress on inflation and a cooling labor market, raising hopes among investors that the central bank might begin cutting interest rates sooner rather than later. "We think that the time [for a rate cut] is approaching ... if we do get the data that we hope we can, then a reduction in our policy rate could be on the table in September," Fed chairman Jerome Powell said Wednesday. Also, he said "I don't think of the labor market in its current state as a likely source of significant inflationary pressures. So I would not like to see material further cooling in the labor market."

Hong Kong Stock Connect had a net inflow of HK\$2.29bn on Wednesday of which Tencent (700) had the largest net inflow, reaching HK\$2.1bn; followed by BOC (3988). Tracker Fund (2800) recorded the largest net outflow at HK\$1.7bn, followed by CSOP HS TECH (3033).

Daily Focus

Haier (6690): Benefits from consumer goods trade-in policy

- According to the “Certain Measures on Increasing Support for Large-scale Equipment Renewal and Consumer Goods Trade-in” issued by the National Development and Reform Commission (NDRC) and the Ministry of Finance (MOF), individual consumers who purchase refrigerators, washing machines, televisions, air conditioners, computers, water heaters, household stoves and range hoods with Grade 2 and above energy efficiency or water efficiency standards will be given a subsidy for replacing old appliances with new ones. The subsidy standard is 15% of the product's sales price. For the purchase of products with Grade 1 or higher energy efficiency or water efficiency standards, an additional subsidy of 5% of the product's sales price will be given.
- As a review, the Company achieved revenue of RMB68.978bn, net profit attributable to shareholders of the listed company of RMB4.773bn, representing an increase of 6.01%, and 20.16% respectively in 1Q24. In the domestic market, the Company continues to have mix upgrade and high-end share gains. During the period, the Company's retail sales share in units priced above RMB 10,000 increased 2.2 ppts reaching 53.2%. In terms of overseas market, its revenue grew by 4%, with a double-digit increase in operating profit. The Overall GPM in 1Q24 reached 29.0%, up 0.3 ppts compared to the same period in 2023.
- Overall, policies such as the trade-in of consumer goods will continue to be the engine of economic growth this year. It provides catalyst for the consumer goods sector. Haier Smart Home can be benefitted.

Haier (6690)	
Closed price	25.65
FY24 P/E (X)	11.65
FY24 Dividend yield (%)	3.91
52 week high	32
52 week low	20.1
14 RSI	52.1

Analyst: Cynthia Tam

Shanghai/Shenzhen-Hong Kong Stock Connect Statistics

	SH Connect	SZ Connect	Combined Southbound
Balance (RMB bn)	74.31	65.09	79.08
Balance as % of Quota Amount	17.7	13.4	94.1

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

Stock Name	Stock code	Buy Trades (HKD)	Sell Trades (HKD)	Turnover (HKD)
TENCENT	700	1,659,773,420	331,419,700	1,991,193,120
CNOOC	883	668,454,530	556,061,001	1,224,515,531
TRACKER FUND	2800	3,936,255	823,479,955	827,416,210
DZUG	1635	367,868,480	363,038,100	730,906,580
BANK OF CHINA	3988	613,563,330	39,997,550	653,560,880
HSBC HOLDINGS	5	97,047,560	527,696,560	624,744,120
MEITUAN-W	3690	490,409,250	118,769,598	609,178,848
CSOP HS TECH	3033	11,219,897	591,367,468	602,587,365
WUXI BIO	2269	199,546,460	356,997,250	556,543,710
CHINA SHENHUA	1088	107,112,500	420,675,525	527,788,02

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	1,152,585,800	336,930,794	1,489,516,594
TRACKER FUND	2800	3,155,950	907,737,140	910,893,090
CNOOC	883	330,435,450	359,580,922	690,016,372
CSOP HS TECH	3033	1,811,260	474,455,614	476,266,874
CHINA MOBILE	941	256,786,450	190,098,306	446,884,756
XIAOMI-W	1810	287,698,332	127,367,700	415,066,032
MEITUAN-W	3690	234,461,210	66,785,367	301,246,577
DZUG	1635	162,389,630	138,814,410	301,204,040
HSCEI ETF	2828	12,268,088	279,565,812	291,833,900
CGN POWER	1816	141,352,020	116,091,720	257,443,740

Sources: HKEx

Other Statistics

Ten Most Actively Traded Stocks

Stock Name	Code	Change	Closed Price	Turnover(Billion)
TRACKER FUND	2800	2.34%	17.96	10.824
TENCENT	700	2.43%	362.20	7.343
BABA-SW	9988	1.44%	77.30	4.910
HSBC HOLDINGS	5	4.64%	69.95	3.889
CSOP HS TECH	3033	2.61%	3.45	3.205
HSCEI ETF	2828	2.25%	62.82	2.652
MEITUAN-W	3690	2.73%	109.30	2.364
CNOOC	883	2.91%	20.50	1.858
PING AN	2318	2.55%	34.15	1.719
AIA	1299	-0.29%	52.50	1.586

Ten Short Sell Stocks

Stock Name	Code	Short Sell Amount	Turnover	Short Sell Ratio
TENCENT	00700.HK	1.15B	7.34B	15.64%
HSBC HOLDINGS	00005.HK	730.07M	3.89B	18.77%
BABA-SW	09988.HK	696.21M	4.91B	14.18%
BANK OF CHINA	03988.HK	532.73M	1.36B	39.03%
HANG SENG BANK	00011.HK	486.47M	920.12M	52.87%
TRACKER FUND	02800.HK	418.74M	10.82B	3.87%
MEITUAN-W	03690.HK	388.39M	2.36B	16.43%
CNOOC	00883.HK	371.53M	1.86B	20.00%
PING AN	02318.HK	356.91M	1.72B	20.76%
HKEX	00388.HK	326.80M	1.43B	22.93%

Source: AA Stocks

Economic Calendars

Date	Country	Event	Survey	Prior
Mon	US	McDonald (MCD) Result		
Tue	US	Jun. JOLTS Job Openings		8,140k
		Jun. Conference Board Consumer Confidence	99.7	100.4
		AMD (AMD), Microsoft (MSFT), Pfizer (PFE), Starbucks (SBUX) Results		
	Euro Zone	2Q. GDP SA (YoY)	0.5%	0.4%
	Hong Kong	Hang Lung Properties (101), Prada (1913), Standard Chartered (2888) Results		
Wed	US	Jun. ADP Employment Change	168k	150k
		Jun. Pending Home Sales (MoM)	1.5%	-2.1%
		Boeing (BA), Facebook (META), MasterCard (MA), T-Mobile (TMUS) Results		
	Euro Zone	Jul. CPI Estimate (YoY)	2.4%	2.5%
	China	Jul. Manufacturing PMI		49.5
		Jul. Non-manufacturing PMI		50.5
	Japan	BOJ Monetary Policy Meeting		
	Hong Kong	HSBC (5), Hang Seng (11) Results		
Thu	US	FOMC Monetary Meeting (Announce in early morning on 1 Aug in HKT)		
		Initial Jobless Claims (Till Jul 27)		235k
		Continuing Jobless Claims (Till Jul 20)		1,851k
		2Q. Nonfarm Productivity	1.6%	0.2%
		Jul. S&P Global Manufacturing PMI (Final)		49.5
		Amazon (AMZN), Apple (AAPL), Intel (INTC) Results		
	Euro Zone	Jul. HCOB Manufacturing PMI (Final)		45.6
	China	Jul. Caixin Manufacturing PMI		51.8
	Hong Kong	Budweiser Brewing (1876) Result		
Fri	US	Jul. Change in Nonfarm Payrolls	175k	206k
		Jul. Unemployment Rate	4.1%	4.1%
		Jul. Average Hourly Earnings (MoM)	0.3%	0.3%
		Jun. Durable Goods Orders (Final)		-6.6%
		ExxonMobile (XOM) Result		

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