

Fundamentals:

Hong Kong stocks finished almost unchanged after briefly dropping to their lowest levels in almost two months, as the lack of fresh supportive measures and lacklustre economic data sparked investor jitters.

The Hang Seng Index slipped ended almost unchanged after falling as much as 1.3 per cent. The Hang Seng Tech Index sank 0.7 per cent and the Shanghai Composite Index retreated 1.2 per cent, set to close below the 3,000-point mark for a second straight day.

Hotpot chain restaurant operator Haidilao International Holding was a prominent decliner after its decision to replace its chief executive officer triggered leadership uncertainties. Tempering losses, Li Auto and BYD rebounded after China and the European Union agreed to start talks on the plan to impose tariffs on Chinese electric vehicles.

In the latest negative sign for the world's second largest economy, foreign direct investment in China dropped 28.2 per cent in the January-to-May period from a year ago, worsening from a 27.9 per cent decline in the previous four months, according to the official data released on Friday night.

"There's no catalyst now and valuations are fair," said Wang Xueheng, an analyst at Guosen Securities. "We recommend investors not take any action for now. If the index falls around the 17,200 level, investors can consider some opportunity of bottom-fishing."

The Hang Seng Index is now down more 8 per cent from 2024's peak struck last month, as investors took profits with economic fundamentals lagging. The May economic data set showed China's economic recovery was patchy, while a high profile financial gathering attended by top officials from the central bank and the stock-market regulator unveiled only piecemeal measures of support.

Investors should stick with buying stocks that promise hefty dividends, as a policy push is likely to encourage more payouts and buy-backs, and the cash built up by listed companies is at an all-time high, according to Goldman Sachs.

Haidilao slumped 2.8 per cent to HK\$14.60 after it named Gou Yiqun as the CEO to replace Yang Lijuan, who resigned to take on a new post in a unit of the company. Among other prominent decliners, Semiconductor Manufacturing International Corp retreated 3.4 per cent to HK\$17.98 and online travel agency Trip.com Group lost 2 per cent to HK\$377.60.

On the flip side, Li Auto rose 1.6 per cent to HK\$70.25 and peer BYD added 0.6 per cent to HK\$217.60, after China's state-controlled Global Times reported, Beijing wants the EU to scrap its preliminary tariffs on Chinese electric vehicles by July 4.

Liquor giant Kweichow Moutai slumped by as much as almost 4 per cent on a report by the National Business Daily report said that the price of its flagship liquor bottle by about 100 yuan in a single day close to 2,100 yuan (US\$289) per bottle over the weekend. The stock dropped by as much as 3.9 per cent but recovered to trade marginally higher at 1,476.55 yuan.

Midea Real Estate Holding surged 70 per cent to HK\$6.37 on a proposal to take the property development arm of the company private.

Other major Asian markets were mostly weak. South Korea's Kospi retreated 0.7 per cent and Australia's S&P/ASX 200 lost 0.8 per cent, while Japan's Nikkei 225 rose 0.5 per cent.

(Source: South China Morning Post)

Mini Hang Seng Futures Daily Chart



Mini Hang Seng China Enterprise Futures Daily Chart



Contracts	Chg	Sett	High	Low
H. SENG FUT JUN 24	44	18062	18066	17778
H. SENG FUT JUL 24	50	17951	17954	17663
H. SENG FUT SEP 24	37	17928	17911	17660
H. SENG FUT DEC 24	30	18082	18078	17820
MINI H. SENG FUT JUN 24	44	18062	18068	17777
MINI H. SENG FUT JUL 24	50	17951	17954	17664
MINI H. SENG FUT SEP 24	37	17928	17966	17645
MINI H. SENG FUT DEC 24	30	18082	18088	17800
HSCEI FUT JUN 24	15	6450	6454	6343
HSCEI FUT JUL 24	15	6377	6379	6270
HSCEI FUT SEP 24	15	6372	6372	6273
HSCEI FUT DEC 24	15	6435	6381	6339
MINI HSCEI FUT JUN 24	15	6450	6454	6343
MINI HSCEI FUT JUL 24	15	6377	6378	6269
MINI HSCEI FUT SEP 24	15	6372	6372	6270
MINI HSCEI FUT DEC 24	15	6435	6435	6341

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	55.45	-0.35	55.6	54.65
**Tencent Holdings Ltd	380.4	-1	381	374
**HSBC Holdings PLC	67.85	-0.3	67.9	67.2
**China Construction Bank Corp	5.78	0.07	5.79	5.65
**Ping An Insurance Group	36.7	-0.1	36.75	35.95
**Meituan	115.4	-0.8	115.8	112.4
*Hong Kong Exchanges & Clearing Ltd	257.8	0.4	258	254.4
**Alibaba Group Holdings Ltd	72.05	0.05	72.1	71
**Xiaomi Corp	18.02	-0.16	18.08	17.56
**ICBC	4.56	0.04	4.57	4.45

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	11.84	0.24	12.26	11.46
**China Mobile Ltd	73.95	-0.35	74.3	73.3
**Bank of China Ltd	3.84	0.04	3.84	3.72
*Techtronic Industries Co Ltd	92.8	0.7	92.8	90.45
*CK Hutchison Holdings Ltd	36.75	0.2	36.75	36.25
*Link REIT	31.7	-0.15	31.95	31.4
*CLP Holding Ltd	63.3	-0.05	63.65	62.85
**Geely Automobile Holdings Ltd	8.81	-0.1	8.87	8.66
**CNOOC Ltd	22.55	-0.2	23.25	22.1
**ANTA Sports Products Ltd	78.95	0.85	79.05	76.45

Global Equity Indices	Close	Change	High	Low
Hang Seng	18027.71	-0.81	18032.7	17789.57
HSCEI	6441.16	1.34	6444.4	6346.39
Shanghai Comp Index	2963.1	-35.039	2990.64	2960.127
Nikkei 225	38804.7	208.18	38905.5	38416.07
KOSPI	2764.73	-19.53	2782.9	2758.09
S&P/ASX200	7733.69	-62.287	7796.1	7730.5
DJIA	39451.9	301.54	39571.2	39184.49
S&P 500	5464.75	0.13	5490.66	5455.51
NASDAQ	17567.8	-121.54	17730.1	17517.45
DAX	18325.6	162.06	18354.7	18165.54
CAC	7706.89	1.03	7725.28	7629.27
FTSE100	8281.55	43.83	8307.93	8217.39

Technical Analysis

Mini Hang Seng

1st Resistance:	18333	2nd Resistance:	18604
1st Support:	17791	2nd Support:	17520
MACD:	-69.291		
MACD DIFF:	-27.8852		
RSI:	46.459		

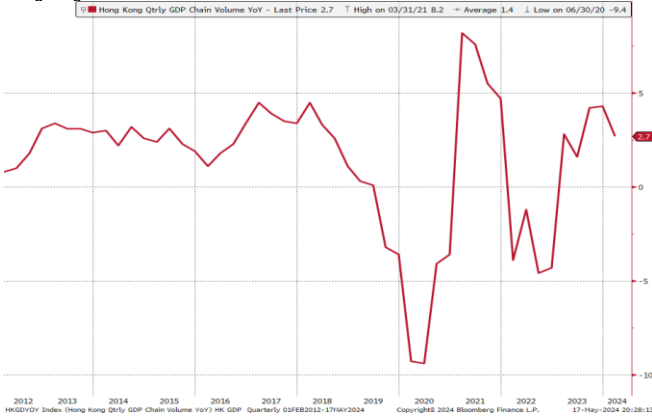
Mini Hang Seng China Enterprise

1st Resistance:	6547	2nd Resistance:	6644
1st Support:	6353	2nd Support:	6257
MACD:	-12.000		
MACD DIFF:	-4.286		
RSI:	48.6728		

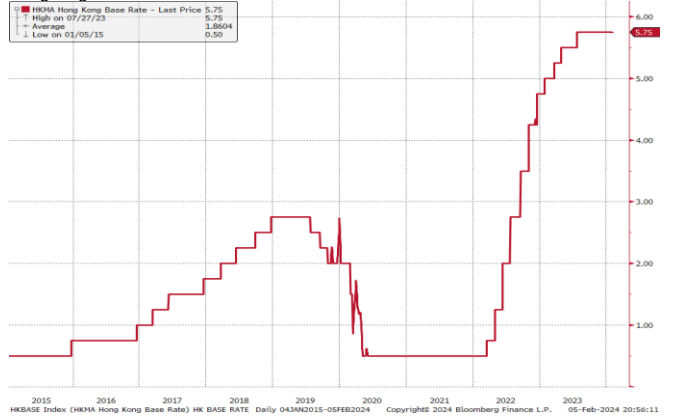
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
06/20/2024 16:30	Unemployment Rate SA	May	3.00%	3.00%	3.00%	--
06/21/2024 16:30	BoP Current Account Balance	1Q	--	\$100.96b	\$71.20b	\$70.72b
06/21/2024 16:30	BoP Overall	1Q	--	-\$35.51b	-\$9.11b	--
06/21/2024 16:30	CPI Composite YoY	May	1.30%	1.20%	1.10%	--
06/25/2024 16:30	Exports YoY	May	--	--	11.90%	--
06/25/2024 16:30	Imports YoY	May	--	--	3.70%	--
06/25/2024 16:30	Trade Balance HKD	May	--	--	-10.2b	--
06/28/2024 16:30	Money Supply M1 HKD YoY	May	--	--	-9.90%	--
06/28/2024 16:30	Money Supply M2 HKD YoY	May	--	--	0.50%	--
06/28/2024 16:30	Money Supply M3 HKD YoY	May	--	--	0.50%	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
06/27/2024 09:30	Industrial Profits YTD YoY	May	--	--	4.30%	--
06/27/2024 09:30	Industrial Profits YoY	May	--	--	4.00%	--
06/30/2024 09:30	Composite PMI	Jun	--	--	51	--
06/30/2024 09:30	Manufacturing PMI	Jun	--	--	49.5	--
06/30/2024 09:30	Non-manufacturing PMI	Jun	--	--	51.1	--

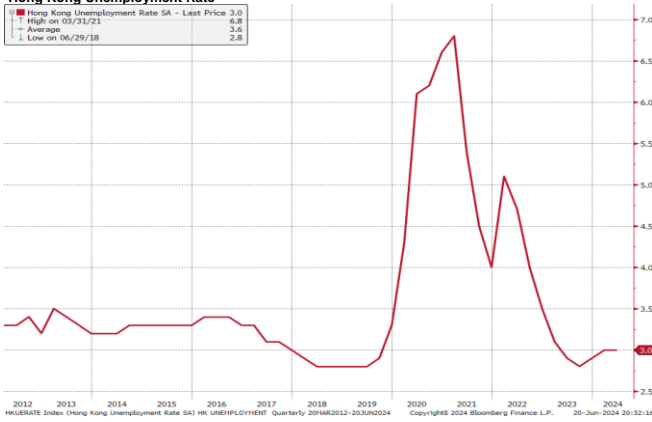
Hong Kong GDP Y on Y



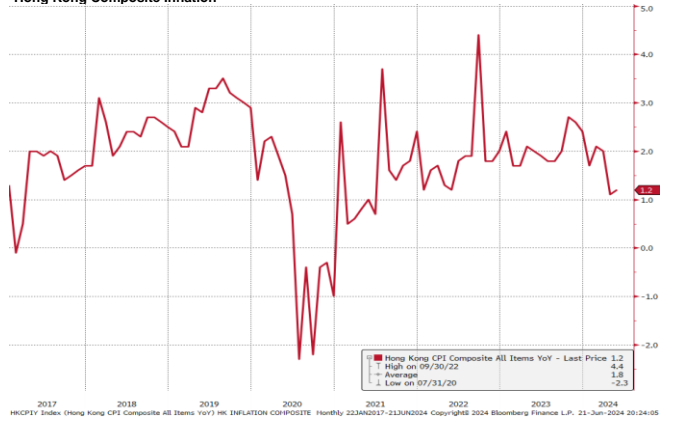
Hong Kong Base Interest Rate



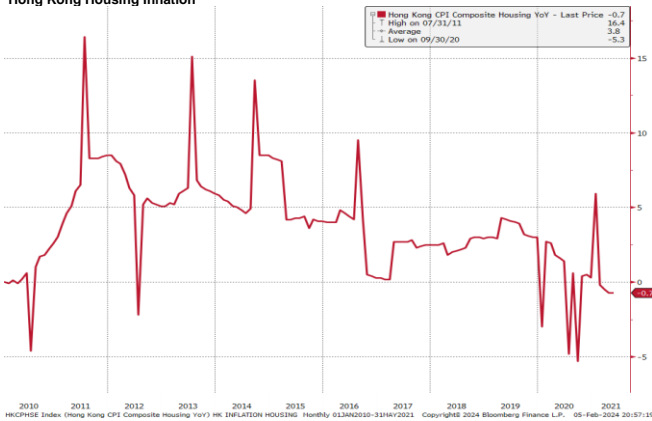
Hong Kong Unemployment Rate



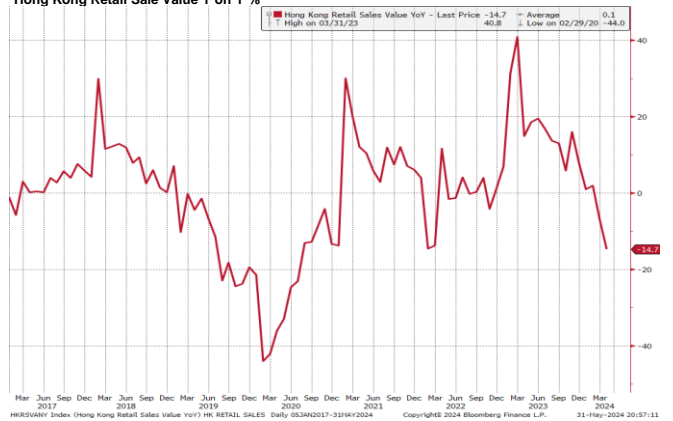
Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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