

Fundamentals:

Hong Kong stocks rose, snapping a three-day losing streak, as investors rummaged for bargains in a market that has seen the benchmark slide by nearly a tenth from this year's peak struck last month, with renewed rate cut expectations in the US also boosting sentiment.

The Hang Seng Index climbed 0.3 per cent to 18,072.90 at the close, after a 2.2 per cent decline over the past three days. The Hang Seng Tech Index slid 0.6 per cent and the Shanghai Composite Index lost 0.4 per cent.

Beaten-down Chinese property developer stocks also gained, with Longfor Group Holdings rising 2.9 per cent to HK\$11.46 and China Resources Land up 1.9 per cent to HK\$27.20. Among other major gainers, Mengniu Dairy rallied 4.5 per cent to HK\$13.94 and China Unicom advanced 2 per cent to HK\$6.78.

"Hong Kong stocks are still attractive and have a high risk-reward ratio on the backdrop of improving expectations about fundamentals going forward," said Kong Rong, an analyst at Tianfeng Securities. The 82-stock Hang Seng benchmark trades at an average of 8.8 times projected earnings for this year, the second cheapest among the world's key markets, according to Bloomberg data.

The Communist Party's third plenary session due next week will be in focus, with investors' expectations building that long-term economic reform plans may be announced at the high-stakes political gathering.

Buying interest also came after traders ramped up the bets on an earlier cut in the interest rate by the Federal Reserve. The probability of a 25 basis-point reduction in Fed's September policy meeting has now risen to 61 per cent from 45 per cent a month ago, according to the data by CME Group. The US is expected to reveal the May data on personal consumption expenditure, a gauge preferred by the Fed for its rate policy.

"For global investors seeking diversification from US equities, the Asia-Pacific equities could present a viable option and Hong Kong equity market stands out as a particularly attractive choice," said index compiler Hang Seng Indexes Co said in a report on Tuesday.

Elsewhere, Shanghai Henlius Biotech was trading 19 per cent higher at HK\$22.50, after rising as much as 21 per cent following a plan proposed by a unit of Fosun International to buy the stake it does not already own, at a price of HK\$24.50 per share.

"By fully owning Shanghai Henlius, Fosun can tighten its grip on the entire value chain from R&D to commercialisation," said Joyce Ng, a director at Fulbright Financial Group Holdings. "This vertical integration can drive operational efficiencies and allow the company to better capture the full economic benefits of its biotech investments."

Other major Asian markets also rose driven by US rate cut hopes. Japan's Nikkei 225 climbed 1 per cent, while South Korea's KOSPI gained 0.4 per cent and Australia's S&P/ASX 200 added 1.4 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	8	18070	18264	17952
H. SENG FUT JUL 24	3	17954	18150	17830
H. SENG FUT SEP 24	7	17935	18100	17824
H. SENG FUT DEC 24	5	18087	18256	18000
MINI H. SENG FUT JUN 24	8	18070	18263	17952
MINI H. SENG FUT JUL 24	3	17954	18150	17830
MINI H. SENG FUT SEP 24	7	17935	18150	17831
MINI H. SENG FUT DEC 24	5	18087	18280	17968
HSCEI FUT JUN 24	8	6458	6526	6410
HSCEI FUT JUL 24	8	6385	6452	6339
HSCEI FUT SEP 24	10	6382	6442	6343
HSCEI FUT DEC 24	7	6442	6497	6431
MINI HSCEI FUT JUN 24	8	6458	6525	6414
MINI HSCEI FUT JUL 24	8	6385	6451	6341
MINI HSCEI FUT SEP 24	10	6382	6444	6341
MINI HSCEI FUT DEC 24	7	6442	6504	6418

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	55	-0.45	55.85	54.65
**Tencent Holdings Ltd	382	1.6	385	378.6
*HSBC Holdings PLC	68.4	0.55	68.6	67.95
**China Construction Bank Corp	5.8	0.02	5.86	5.77
**Ping An Insurance Group	37.1	0.4	37.5	36.65
**Meituan	116.8	1.4	119	115.5
*Hong Kong Exchanges & Clearing Ltd	255.4	-2.4	260.8	252.4
**Alibaba Group Holdings Ltd	72.65	0.6	73.2	72.1
**Xiaomi Corp	17.78	-0.24	18.14	17.62
**ICBC	4.58	0.02	4.65	4.55

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	11.88	0.04	12.16	11.78
**China Mobile Ltd	74.45	0.5	74.75	73.5
**Bank of China Ltd	3.84	0	3.89	3.81
*Techtronic Industries Co Ltd	93.3	0.5	93.75	92.05
*CK Hutchison Holdings Ltd	36.55	-0.2	37.35	36.3
*Link REIT	31.55	-0.15	31.75	31.35
*CLP Holding Ltd	61.85	-1.45	63.65	61.6
**Geely Automobile Holdings Ltd	8.96	0.15	9.01	8.76
**CNOOC Ltd	22.7	0.15	22.95	22.45
**ANTA Sports Products Ltd	78.9	-0.05	80	78.25

Global Equity Indices	Close	Change	High	Low
Hang Seng	18072.90	45.19	18231.5	17959.07
HSCEI	6464.49	23.33	6522.4	6421.43
Shanghai Comp Index	2950	-13.103	2971.65	2935.538
Nikkei 225	39173.2	368.5	39215.1	38758.07
KOSPI	2774.39	9.66	2780.42	2765.76
S&P/ASX200	7838.79	105.101	7838.8	7737
DJIA	39112.2	-299.05	39423.3	38997.23
S&P 500	5468.49	20.62	5472.88	5446.56
NASDAQ	17717.7	220.83	17734.3	17546.63
DAX	18177.6	-147.96	18307.6	18075.75
CAC	7662.3	-0.58	7671.06	7617.16
FTSE100	8247.79	-33.76	8294.24	8245.66

Technical Analysis

Mini Hang Seng

1st Resistance:	18341	2nd Resistance:	18612
1st Support:	17799	2nd Support:	17528
MACD:	-70.811		
MACD DIFF:	-23.5247		
RSI:	46.6496		

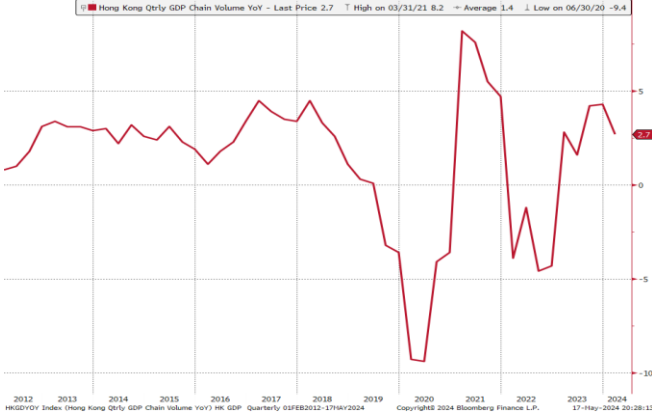
Mini Hang Seng China Enterprise

1st Resistance:	6555	2nd Resistance:	6652
1st Support:	6361	2nd Support:	6264
MACD:	-11.361		
MACD DIFF:	-2.917		
RSI:	49.1707		

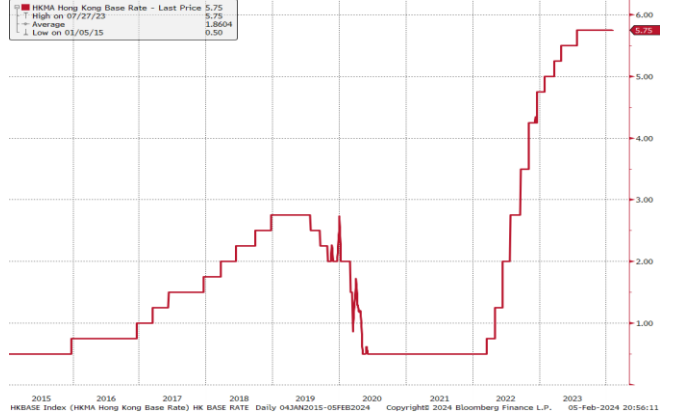
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
06/20/2024 16:30	Unemployment Rate SA	May	3.00%	3.00%	3.00%	--
06/21/2024 16:30	BoP Current Account Balance	1Q	--	\$100.96b	\$71.20b	\$70.72b
06/21/2024 16:30	BoP Overall	1Q	--	-\$35.51b	-\$9.11b	--
06/21/2024 16:30	CPI Composite YoY	May	1.30%	1.20%	1.10%	--
06/25/2024 16:30	Exports YoY	May	14.80%	14.80%	11.90%	--
06/25/2024 16:30	Imports YoY	May	8.50%	9.60%	3.70%	--
06/25/2024 16:30	Trade Balance HKD	May	--	-8.7b	-12.1b	-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



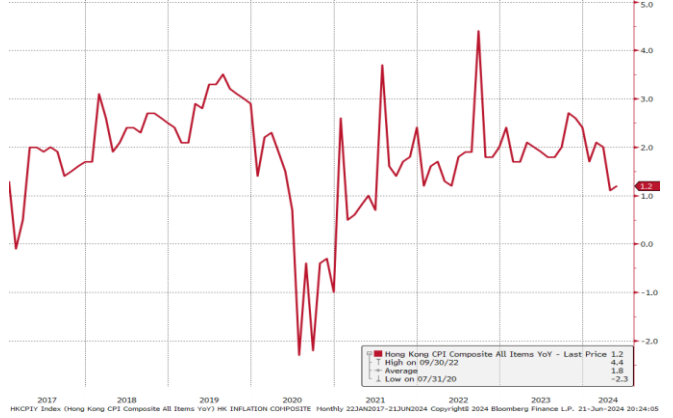
Hong Kong Base Interest Rate



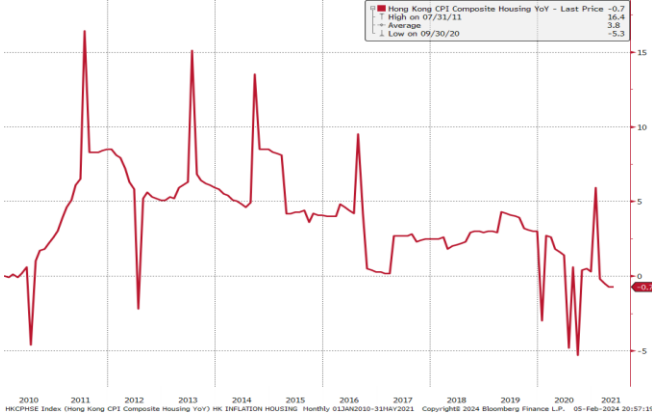
Hong Kong Unemployment Rate



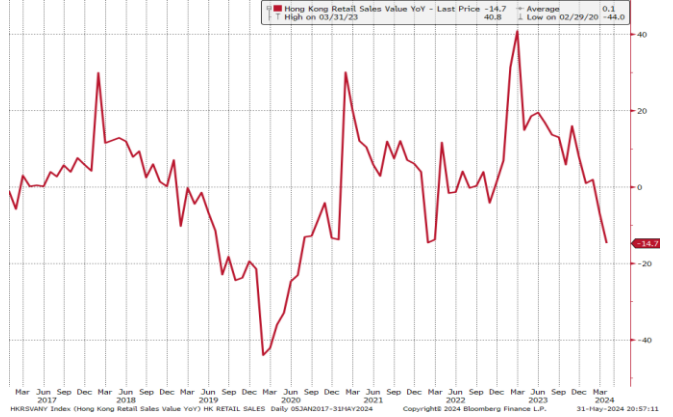
Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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