

Fundamentals:

Hong Kong stocks inched up on Wednesday after China approve more online games and following the overnight tech-led rally on Wall Street, but ended off highs as investors turned cautious amid intensifying geopolitical tensions.

The Hang Seng Index rose 0.1 per cent to close at 18,089.93. The Hang Seng Tech Index advanced 0.9 per cent and the Shanghai Composite Index climbed 0.8 per cent.

NetEase rallied after China approved more online games in June when it gave the nod to 104 new video games from mainland developers, after fewer than 100 titles each were okayed in previous two months. Semiconductor Manufacturing International Corp advanced following the US chip sector's outperformance overnight.

Electric-vehicle (EV) maker BYD fell as Chinese and EU officials held talks on EV tariffs and following Warren Buffett's move to cut his stake in the company for the second time this month. Gold Producer Zijin Mining Group tumbled on falling bullion prices.

"Hong Kong's market is expected to trade in a narrow range in the short term," said Yan Zhaojun, an analyst at Zhongtai Securities. "Latest macro data indicates a weak recovery in China's economy, which doesn't support a one-way upside market."

The run-up that sent the Hang Seng Index into the bull market has stumbled, with the benchmark falling more than 8 per cent from this year's high in May, as investors track China's patchy economic growth and its plans for reforms. Economic data for May showed a pick up in retail sales but industrial output remained sluggish and home prices continued its downward spiral.

The overhang of geopolitical tensions linger. On the heels of moves by the US and the European Union, Canada said that it would start a public consultation on imposing tariff on Chinese electric vehicle imports, a move that is expected to hit BYD hardest. China and the European Union are entangled in an escalating trade dispute, with Beijing launching an anti-dumping probe into the imports of pork from the block as retaliation.

Property developer stocks are being tracked amid a rising number of winding-up petitions by creditors. A Hong Kong court granted a four-week grace period to Shimao Group to secure creditors' approval for its debt restructuring plan. Shimao's shares were unchanged at HK\$0.76.

NetEase rallied 6.2 per cent to HK\$160.60. Jefferies lifted the price target for the stock to HK\$202, implying an upside of 26 per cent from the current levels. SMIC added 2.9 per cent to HK\$17.70.

BYD slipped 0.9 per cent to HK\$237.40. Buffett's Berkshire Hathaway sold 2.01 million Hong Kong-traded shares of the company on June 19, cutting its stake to 5.99 per cent from 6.18 per cent, according to the exchange filing. That followed a reduction made by the fund on June 11. Zijin Mining lost 1.3 per cent to HK\$16.40 as gold prices slipped.

Two companies made their trading debut on the mainland. Yonz Technology, which makes photovoltaic products, jumped 48 per cent from its initial public offering price to 34.47 yuan in Shanghai and Aidite Technology, a producer of dental materials, surged 87 per cent to 84.02 yuan in Shenzhen.

Other major Asian markets were broadly higher. Japan's Nikkei 225 climbed 1.3 per cent and South Korea's Kospi rose 0.6 per cent, while Australia's S&P/ASX 200 lost 0.7 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	-6	18064	18153	17888
H. SENG FUT JUL 24	-4	17950	18035	17764
H. SENG FUT SEP 24	-1	17934	18014	17756
H. SENG FUT DEC 24	-9	18078	18133	17921
MINI H. SENG FUT JUN 24	-6	18064	18153	17888
MINI H. SENG FUT JUL 24	-4	17950	18034	17765
MINI H. SENG FUT SEP 24	-1	17934	18010	17750
MINI H. SENG FUT DEC 24	-9	18078	18160	17900
HSCEI FUT JUN 24	5	6463	6498	6398
HSCEI FUT JUL 24	9	6394	6424	6324
HSCEI FUT SEP 24	11	6393	6421	6325
HSCEI FUT DEC 24	11	6453	#N/A	#N/A
MINI HSCEI FUT JUN 24	5	6463	6498	6400
MINI HSCEI FUT JUL 24	9	6394	6424	6327
MINI HSCEI FUT SEP 24	11	6393	6417	6324
MINI HSCEI FUT DEC 24	11	6453	6479	6400

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	54.45	-0.55	55.4	54.2
**Tencent Holdings Ltd	382	0	383	377
**HSBC Holdings PLC	68.3	-0.1	68.7	67.95
**China Construction Bank Corp	5.79	-0.01	5.83	5.75
**Ping An Insurance Group	36.8	-0.3	37.3	36.55
**Meituan	117	0.2	117.5	114.2
*Hong Kong Exchanges & Clearing Ltd	256	0.6	257.4	252.6
**Alibaba Group Holdings Ltd	72.85	0.2	73.45	71.7
**Xiaomi Corp	17.82	0.04	17.94	17.54
**ICBC	4.62	0.04	4.65	4.54

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	12.2	0.32	12.26	11.72
**China Mobile Ltd	74.55	0.1	75	73.95
**Bank of China Ltd	3.82	-0.02	3.87	3.8
*Techronic Industries Co Ltd	91.3	-2	92	90.1
*CK Hutchison Holdings Ltd	37.4	0.85	37.5	36.15
*Link REIT	31.95	0.4	32.15	31.4
*CLP Holding Ltd	63.25	1.4	63.75	61.8
**Geely Automobile Holdings Ltd	9.15	0.19	9.18	8.92
**CNOOC Ltd	22.55	-0.15	22.75	22.2
**ANTA Sports Products Ltd	77.9	-1	78.9	77.4

Global Equity Indices	Close	Change	High	Low
Hang Seng	18089.93	17.03	18156.4	17934.63
HSCEI	6477.24	12.75	6499.1	6416.44
Shanghai Comp Index	2972.53	22.529	2976.67	2933.33
Nikkei 225	39667.1	493.92	39788.6	39233.56
KOSPI	2792.05	17.66	2792.07	2762.98
S&P/ASX200	7783.01	-55.782	7838.8	7750.5
DJIA	39143.7	31.5	39180.8	38908.99
S&P 500	5469.56	0.26	5475.57	5451.87
NASDAQ	17739.4	21.77	17796.2	17687.07
DAX	18155.2	-22.38	18363.4	18045.54
CAC	7609.15	-0.69	7707.15	7559.63
FTSE100	8225.33	-22.46	8302.04	8205.04

Technical Analysis

Mini Hang Seng

1st Resistance: 18335
 2nd Resistance: 18606
 1st Support: 17793
 2nd Support: 17522
 MACD: -71.674
 MACD DIFF: -19.5102
 RSI: 46.5159

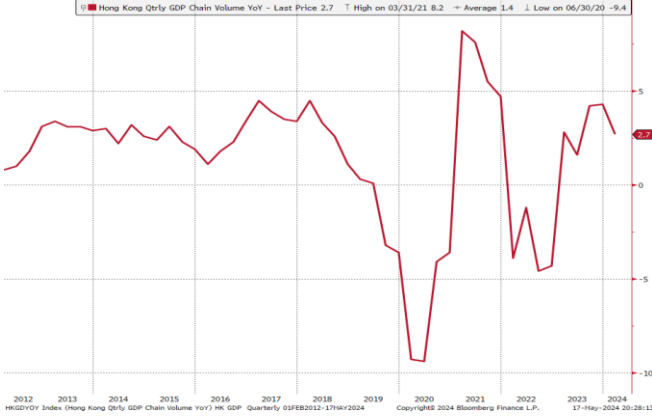
Mini Hang Seng China Enterprise

1st Resistance: 6560
 2nd Resistance: 6657
 1st Support: 6366
 2nd Support: 6269
 MACD: -10.332
 MACD DIFF: -1.510
 RSI: 49.5004

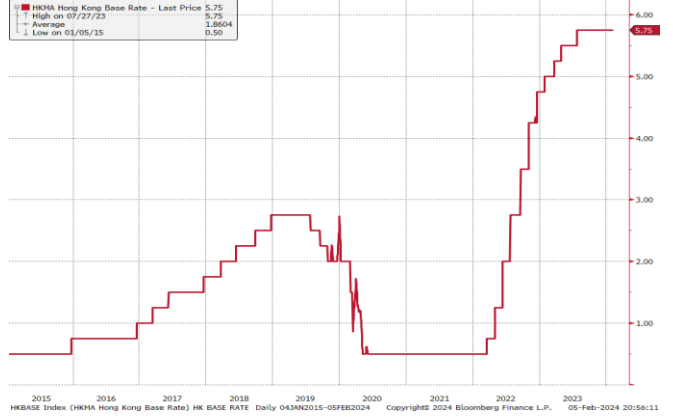
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
06/20/2024 16:30	Unemployment Rate SA	May	3.00%	3.00%	3.00%	--
06/21/2024 16:30	BoP Current Account Balance	1Q	--	\$100.96b	\$71.20b	\$70.72b
06/21/2024 16:30	BoP Overall	1Q	--	-\$35.51b	-\$9.11b	--
06/21/2024 16:30	CPI Composite YoY	May	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



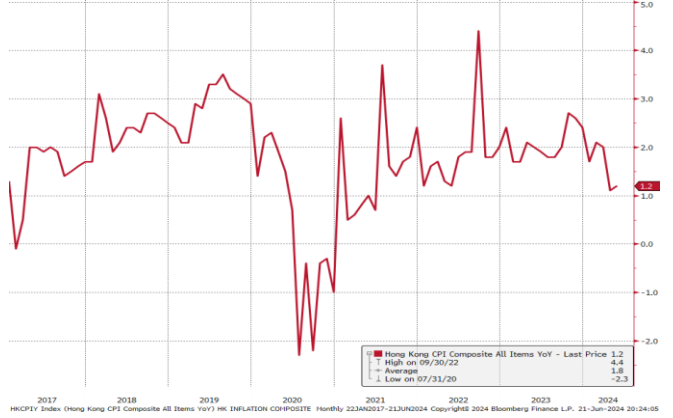
Hong Kong Base Interest Rate



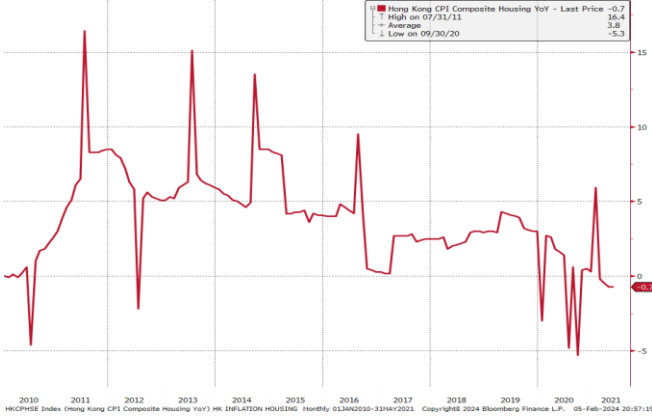
Hong Kong Unemployment Rate



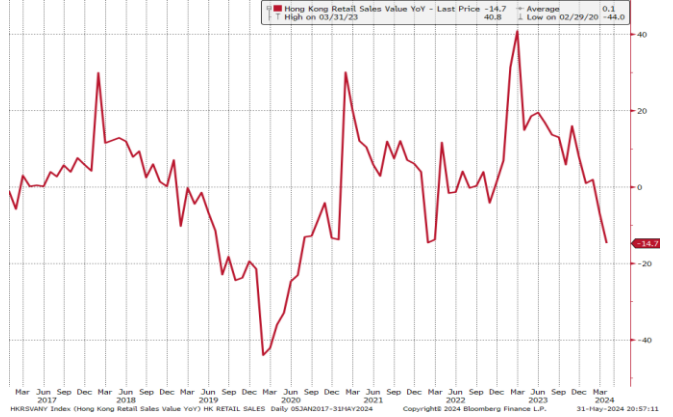
Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

Kenanga Futures Sdn Bhd (353603-X)

Dealing Desk: (603) 2172 3820 Fax: (603) 2172 2729 Email: futures@kenanga.com.my

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