

**Fundamentals:**

Hong Kong stocks reversed gains posted after China relaxed the duty-free shopping limits for mainland tourists to the city and ended flat as investors remained cautious about growth prospects in the world's second-biggest economy which forced the benchmark into its first monthly loss since January.

The Hang Seng Index gained less than 0.1 per cent to 17,718.61 at the close. Still the benchmark lost 2 per cent in June and capped its first monthly loss in five months. The Hang Seng Tech Index slid 1 per cent and the Shanghai Composite Index rose 0.7 per cent.

Early in the day, sentiment had turned upbeat after China's commerce ministry said the cap for duty-free shopping by mainland tourists entering Hong Kong and Macau would be raised to 12,000 yuan (US\$1,651) from 5,000 yuan. The relaxation is expected to bring additional consumption of as much as HK\$17.6 billion (US\$2.3 billion) to the city every year, according to the Hong Kong government.

Online travel agency Trip.com Group gained 0.3 per cent to HK\$374.60. Among other leading gainers, China Unicom advanced 3.6 per cent to HK\$7.17 and BYD Electronic climbed 3.3 per cent to HK\$38.

For the month, sentiment towards stocks soured as investors flocked to the safety of government bonds, amid lack of conviction about a pickup in China's economic recovery. The latest set of data showed a deceleration of profit growth for industrial companies, falling foreign direct investment and declines in home prices. Overseas investors have pulled US\$5 billion out of Chinese onshore stocks in June, the largest monthly outflow since October, according to HSBC.

"As we have seen, most sectors haven't had a noticeable improvement in earnings," said Fan Jituo, an analyst at Cinda Securities. "For the next two months, the market will take a breather and trade sideways. For this to change, it calls for a pickup in earnings and inflows of fresh capital."

Shares of three-quarters of the 82 members on the Hang Seng Index have retreated in June, with Xinyi Solar Holding, auto dealer Zhongsheng Group Holdings and Haidilao International Holdings being the worst performers with declines of at least 19 per cent.

Three companies started trading on Friday. Laopu Gold, a jewellery retailer, jumped 73 per cent from its initial public offering (IPO) price to HK\$70, while Tianju Dine Technology, a provider of application programming interface service, slid 28 per cent to HK\$60.15 after rising as high as HK\$117.20, and Dida, a ride-hailing platform operator, slumped 23 per cent to HK\$4.65.

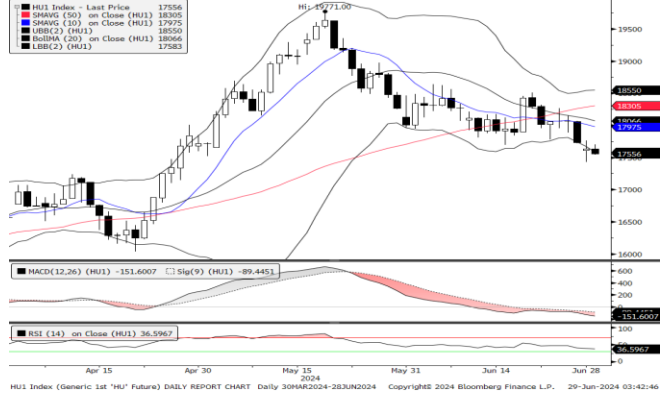
Funds raised from the IPOs in Hong Kong dropped to a two-decade low in the first half, pushing the city down to 13th place in global rankings, according to data compiled by the London Stock Exchange Group. A total of 27 companies raised US\$1.5 billion from the offerings in the period, it said. The performance is in sharp contrast with the past, when Hong Kong was the world's top IPO destination for seven of the past 15 years.

Meanwhile, traders awaited data on US personal consumption expenditure due Friday night, a measure of inflation preferred by the US Federal Reserve. It probably increased 2.6 per cent from a year earlier in May, slowing from a 2.7 per cent increase for the previous month, according to the consensus estimate of economists tracked by Bloomberg.

Other major Asian markets were broadly higher. Japan's Nikkei 225 climbed 0.6 per cent in a breakout of a two-month rangebound pattern, while South Korea's Kospi rose 0.5 per cent and Australia's S&P/ASX 200 added 0.1 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 JUL 24	20	17630	17763	17425
H. SENG FUT AUG 24	30	17667	17787	17500
H. SENG FUT SEP 24	21	17615	17739	17413
H. SENG FUT DEC 24	20	17762	17864	17661
MINI H. SENG FUT JUL 24	20	17630	17764	17425
MINI H. SENG FUT AUG 24 #N/A	N/A	17667	17788	17473
MINI H. SENG FUT SEP 24	21	17615	17745	17410
MINI H. SENG FUT DEC 24	20	17762	17888	17560
HSCEI FUT JUL 24	16	6265	6315	6180
HSCEI FUT AUG 24	14	6286	6314	6209
HSCEI FUT SEP 24	14	6264	6311	6188
HSCEI FUT DEC 24	14	6321	6330	6245
MINI HSCEI FUT JUL 24	16	6265	6315	6181
MINI HSCEI FUT AUG 24 #N/A	N/A	6286	6330	6210
MINI HSCEI FUT SEP 24	14	6264	6307	6187
MINI HSCEI FUT DEC 24	14	6321	6363	6255

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	53	-0.25	53.65	52.85
**Tencent Holdings Ltd	372.4	-2	376	370.8
*HSBC Holdings PLC	68.3	0	68.75	67.9
**China Construction Bank Corp	5.77	0.05	5.83	5.7
**Ping An Insurance Group	35.4	-0.55	36.1	35.3
**Meituan	111.1	-2.6	114.3	110.6
*Hong Kong Exchanges & Clearing Ltd	250.2	-1.4	254	248.2
**Alibaba Group Holdings Ltd	70.5	-1.05	71.6	70.5
**Xiaomi Corp	16.48	-0.06	16.78	16.36
**ICBC	4.64	0.07	4.68	4.55

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	11.54	-0.14	11.86	11.52
**China Mobile Ltd	77	2	77.55	74.85
**Bank of China Ltd	3.85	0.05	3.85	3.78
*Techtronic Industries Co Ltd	89.2	-3.75	92.35	89
*CK Hutchison Holdings Ltd	37.4	0.55	37.6	36.5
*Link REIT	30.35	0.35	30.5	30
*CLP Holding Ltd	63.1	0.95	63.55	62.2
**Geely Automobile Holdings Ltd	8.79	-0.11	8.94	8.78
**CNOOC Ltd	22.4	0.65	22.65	21.75
**ANTA Sports Products Ltd	75	-1.2	75.85	74.3

Global Equity Indices	Close	Change	High	Low
Hang Seng	17718.61	2.14	17865.5	17583.19
HSCEI	6331.86	7.81	6384.01	6267.34
Shanghai Comp Index	2967.4	21.551	2985.47	2939.984
Nikkei 225	39583.1	241.54	39783.7	39485.73
KOSPI	2797.82	13.76	2797.82	2782.4
S&P/ASX200	7767.47	7.875	7819	7754.9
DJIA	39090.8	-73.28	39443.6	38937.15
S&P 500	5461.07	-21.8	5523.64	5451.12
NASDAQ	17806.6	-52.08	18035	17726.39
DAX	18235.5	24.9	18352.7	18198.1
CAC	7479.4	-0.68	7544.4	7456.47
FTSE100	8164.12	-15.56	8237.36	8162.68

**Technical Analysis**

**Mini Hang Seng**

1st Resistance:	17894	2nd Resistance:	18159
1st Support:	17366	2nd Support:	17101
MACD:	-125.616		
MACD DIFF:	-51.4375		
RSI:	37.8985		

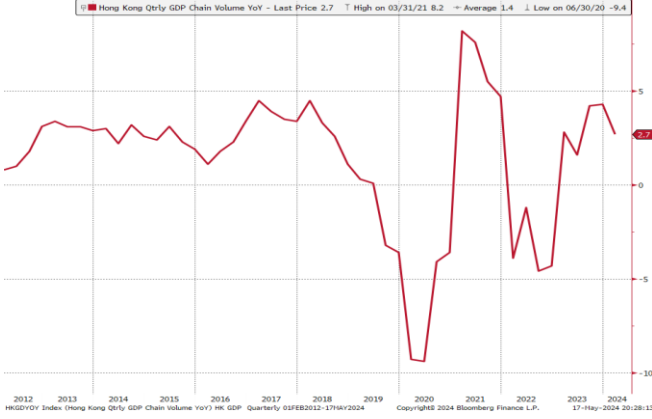
**Mini Hang Seng China Enterprise**

1st Resistance:	6359	2nd Resistance:	6453
1st Support:	6171	2nd Support:	6077
MACD:	-32.131		
MACD DIFF:	-16.946		
RSI:	38.5403		

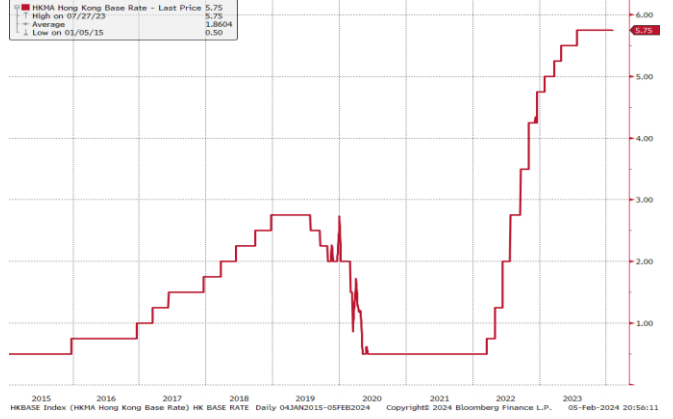
Hong Kong Economic Releases	Period	Survey	Actual	Prior	Revised	
06/25/2024 16:30	Exports YoY	May	14.80%	14.80%	11.90%	--
06/25/2024 16:30	Imports YoY	May	8.50%	9.60%	3.70%	--
06/25/2024 16:30	Trade Balance HKD	May	-8.7b	-12.1b	-10.2b	--
06/28/2024 16:30	Money Supply M1 HKD YoY	May	--	-8.40%	-9.90%	--
06/28/2024 16:30	Money Supply M2 HKD YoY	May	--	1.50%	0.50%	--
06/28/2024 16:30	Money Supply M3 HKD YoY	May	--	1.50%	0.50%	--
07/02/2024 16:30	Retail Sales Volume YoY	May	--	--	-0.165	--
07/02/2024 16:30	Retail Sales Value YoY	May	--	--	-0.147	--
07/04/2024 08:30	S&P Global Hong Kong PMI	Jun	--	--	49.2	--
07/05/2024 16:30	Foreign Reserves	Jun	--	--	\$417.2b	--

China Economic Releases	Period	Survey	Actual	Prior	Revised	
06/27/2024 09:30	Industrial Profits YTD YoY	May	--	3.40%	4.30%	--
06/27/2024 09:30	Industrial Profits YoY	May	--	0.70%	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	--
07/01/2024 09:45	Caixin China PMI Mfg	Jun	51.5	--	51.7	--
07/03/2024 09:45	Caixin China PMI Composite	Jun	--	--	54.1	--
07/03/2024 09:45	Caixin China PMI Services	Jun	53.4	--	54	--

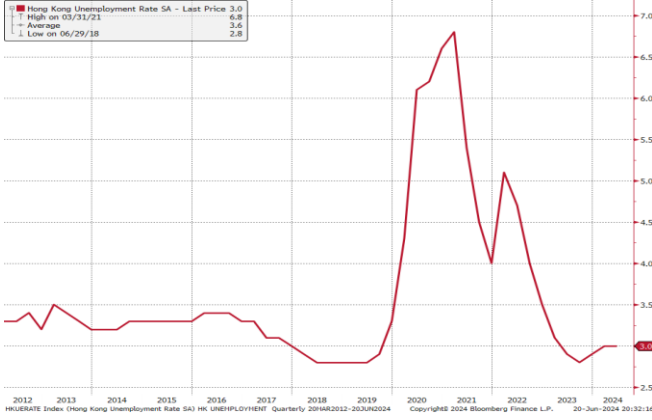
### Hong Kong GDP Y on Y



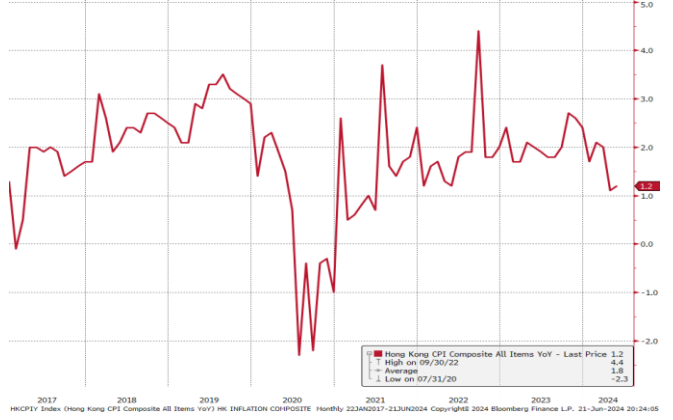
### Hong Kong Base Interest Rate



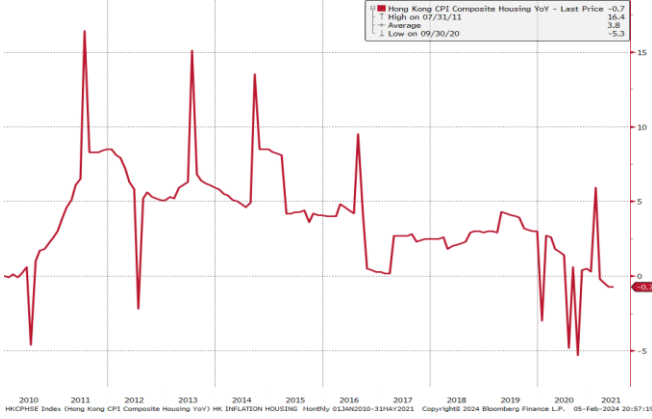
### Hong Kong Unemployment Rate



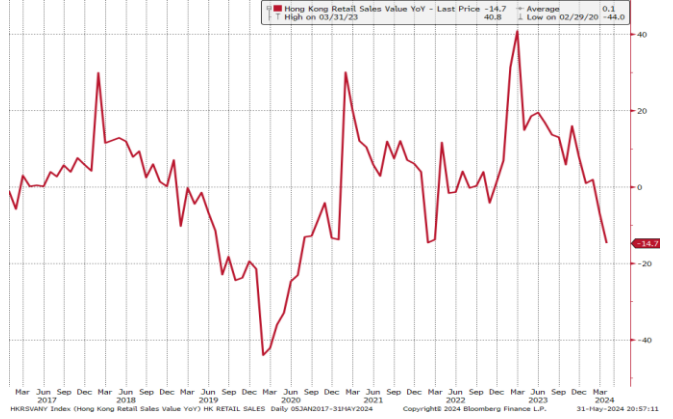
### Hong Kong Composite Inflation



### Hong Kong Housing Inflation



### Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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