

Fundamentals:

Hong Kong stocks gained as traders returned after a public holiday and reacted to upbeat Chinese manufacturing data that eased some concerns about the economic outlook.

The Hang Seng Index added 0.3 per cent to 17,769.14 at the close of Tuesday trading, climbing from a two-month low. The Tech Index gave up earlier gains to finish the day down 0.4 per cent, while the Shanghai Composite Index was little changed after a 0.9 per cent gain on Monday.

Li Auto jumped 5 per cent to HK\$73.80, leading gains among electric-car makers after strong monthly sales. Property developer Longfor surged 3 per cent to HK\$11.04 and China Resources Land jumped 3 per cent to HK\$27.35 after a decline in home sales eased in June.

Oil giant CNOOC rallied 4.5 per cent to HK\$23.40 and PetroChina climbed 4.2 per cent to HK\$8.23.

A private report released on Monday pointed to a better-than-expected expansion in China's factory activity. The Caixin/S&P Global manufacturing purchasing managers' index (PMI) rose to 51.8 in June from 51.7 in the previous month, marking the fastest clip since May 2021 and defying analysts' forecasts of a drop to 51.2.

That helped alleviate disappointment over the official PMI data, which stood at 49.5 in June - indicating contraction - unchanged from May.

The Hang Seng Index declined 2 per cent in June, marking the first loss in five months. This brought the total drop since its peak in late May to 9.8 per cent, which means the market has given up almost half of the gains from the policy-driven bull run as traders cashed out.

"The Hang Seng Index could easily find support at this level" following the recent downturn, Kevin Liu, equity strategist and managing director at CIBC, said in a note on Sunday. Looking ahead, improving domestic fundamentals and policy catalysts could lend the market more support, he added.

Elsewhere, French beauty retailer L'Occitane Group, the controlling shareholder of Hong Kong-listed L'Occitane International, has made a tender offer to acquire all issued and outstanding shares it does not already own to privatise the company.

Minority investors can choose either rollover shares in the offeror, or receive HK\$34.00 in cash per share, according to the filing.

Other key Asian markets were mixed. Japan's Nikkei 225 added 1.1 per cent, South Korea's Kospi declined 0.8 per cent, and Australia's S&P/ASX 200 dropped 0.4 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 JUL 24	49	17679	17889	17480
H. SENG FUT AUG 24	47	17714	17919	17540
H. SENG FUT SEP 24	47	17662	17855	17466
H. SENG FUT DEC 24	48	17810	18005	17760
MINI H. SENG FUT JUL 24	49	17679	17890	17483
MINI H. SENG FUT AUG 24	47	17714	17926	17528
MINI H. SENG FUT SEP 24	47	17662	17870	17475
MINI H. SENG FUT DEC 24	48	17810	18016	17629
HSCEI FUT JUL 24	44	6309	6383	6213
HSCEI FUT AUG 24	43	6329	6373	6262
HSCEI FUT SEP 24	43	6307	6379	6258
HSCEI FUT DEC 24	44	6365	6420	6290
MINI HSCEI FUT JUL 24	44	6309	6383	6215
MINI HSCEI FUT AUG 24	43	6329	6400	6237
MINI HSCEI FUT SEP 24	43	6307	6379	6223
MINI HSCEI FUT DEC 24	44	6365	6436	6349

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	52.45	-0.55	53.95	52
**Tencent Holdings Ltd	369.2	-3.2	376.2	365.2
**HSBC Holdings PLC	68.25	-0.05	68.7	68
**China Construction Bank Corp	5.86	0.09	5.9	5.75
**Ping An Insurance Group	36.35	0.95	37.2	35
**Meituan	112.2	1.1	113.3	108.6
*Hong Kong Exchanges & Clearing Ltd	248.8	-1.4	254.2	247
**Alibaba Group Holdings Ltd	70.45	-0.05	72	69.8
**Xiaomi Corp	16.66	0.18	16.74	16.36
**ICBC	4.75	0.11	4.8	4.61

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	11.18	-0.36	11.82	11.12
**China Mobile Ltd	77.4	0.4	78.6	76.4
**Bank of China Ltd	3.86	0.01	3.9	3.82
*Techtronic Industries Co Ltd	89	-0.2	89.9	88.3
*CK Hutchison Holdings Ltd	38.05	0.65	38.15	36.95
*Link REIT	29.9	-0.45	31.15	29.75
*CLP Holding Ltd	63.7	0.6	64.6	63.15
**Geely Automobile Holdings Ltd	8.48	-0.31	9.21	8.35
**CNOOC Ltd	23.4	1	23.55	22.9
**ANTA Sports Products Ltd	72.95	-2.05	74.5	72.55

Global Equity Indices	Close	Change	High	Low
Hang Seng	17769.14	50.53	17986.1	17669.42
HSCEI	6374.91	43.05	6449.83	6323.78
Shanghai Comp Index	2997.01	2.281	3004.99	2989.47
Nikkei 225	40074.7	443.63	40113.5	39457.62
KOSPI	2780.86	-23.45	2805.42	2776.62
S&P/ASX200	7718.17	-32.574	7754.4	7702.5
DJIA	39291.8	122.3	39306	39085.69
S&P 500	5499.45	24.36	5500.26	5458.43
NASDAQ	18006.2	126.9	18015.6	17802.24
DAX	18164.1	-126.6	18286.9	18030.49
CAC	7538.29	-0.3	7543.15	7477.27
FTSE100	8121.2	-45.56	8166.76	8106.79

Technical Analysis

Mini Hang Seng

1st Resistance:	17944	2nd Resistance:	18209
1st Support:	17414	2nd Support:	17149
MACD:	-156.166		
MACD DIFF:	-54.1194		
RSI:	39.4518		

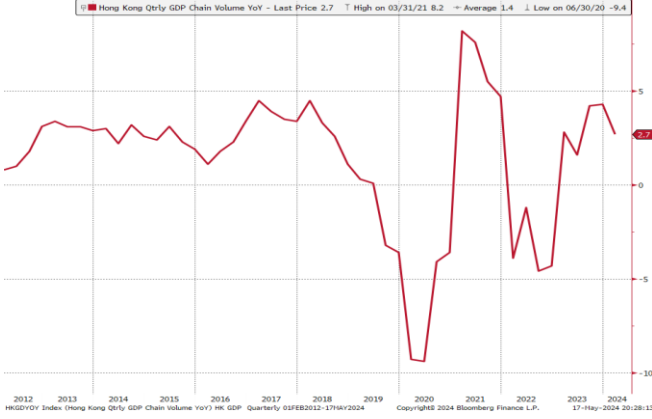
Mini Hang Seng China Enterprise

1st Resistance:	6404	2nd Resistance:	6498
1st Support:	6214	2nd Support:	6120
MACD:	-45.201		
MACD DIFF:	-19.771		
RSI:	42.0072		

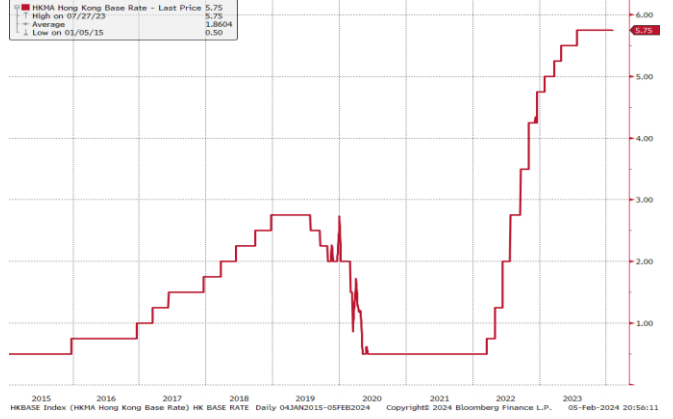
Hong Kong Economic Releases	Period	Survey	Actual	Prior	Revised	
06/25/2024 16:30	Exports YoY	May	14.80%	14.80%	11.90%	--
06/25/2024 16:30	Imports YoY	May	8.50%	9.60%	3.70%	--
06/25/2024 16:30	Trade Balance HKD	May	-8.7b	-12.1b	-10.2b	--
06/28/2024 16:30	Money Supply M1 HKD YoY	May	--	-8.40%	-9.90%	--
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	-11.80%	-12.90%	-16.50%	--
07/02/2024 16:30	Retail Sales Value YoY	May	-10.80%	-11.50%	-14.70%	--
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	--	50.5	51.0	--
06/30/2024 09:30	Manufacturing PMI	Jun	49.5	49.5	49.5	--
06/30/2024 09:30	Non-manufacturing PMI	Jun	51.0	50.5	51.1	--
07/01/2024 09:45	Caixin China PMI Mfg	Jun	51.5	51.8	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	--

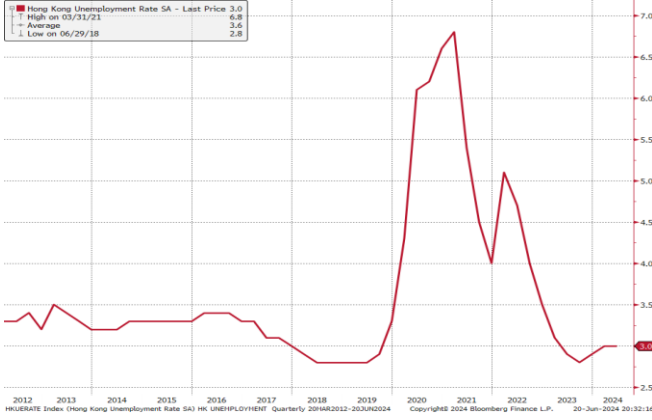
Hong Kong GDP Y on Y



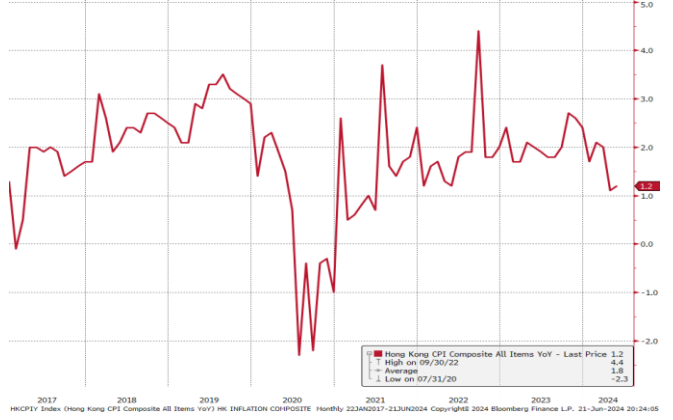
Hong Kong Base Interest Rate



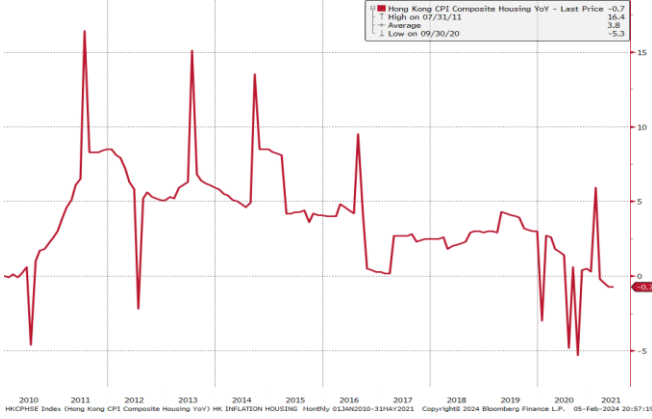
Hong Kong Unemployment Rate



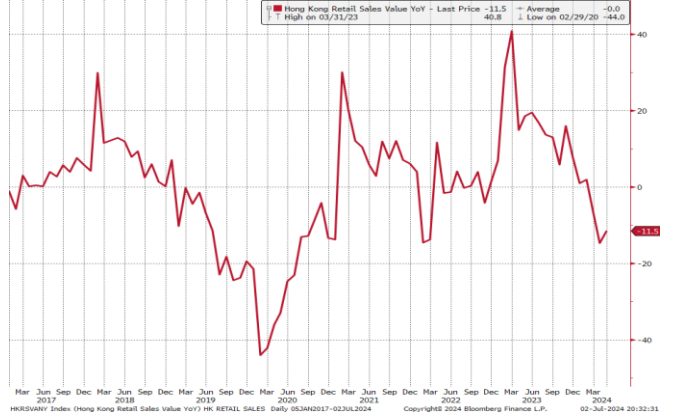
Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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