

Fundamentals:

Hong Kong stocks rose as risk appetite crept back into markets following soft US data and dovish Federal Reserve comments on inflation. BYD and Li Auto rallied as EU countries hesitated on imposing tariffs on Chinese electric vehicles.

The Hang Seng Index gained 0.3 per cent to 18,028.28 at the close of trade on Thursday. The Tech Index added 0.6 per cent on the back of the 2.5 per cent gain posted on Wednesday, while the Shanghai Composite Index declined 0.8 per cent.

Search engine operator Baidu gained 1.3 per cent to HK\$87.30 and e-commerce site operator Alibaba climbed 1.3 per cent to HK\$73.15, leading advances among tech heavyweights. Online travel agency Trip.com jumped 4.4 per cent to HK\$395.60 while food delivery platform Meituan advanced 2.2 per cent to HK\$119.70.

Electric vehicle maker BYD added 1.9 per cent to HK\$234.60 and rival Li Auto surged 3.9 per cent to HK\$80.80, after a Reuters report that the German car industry had urged the EU to drop additional tariffs on China EVs.

Sentiment was buoyed by US data released overnight that supported the case for a US interest rate cut. Meanwhile Federal Reserve minutes of June's meeting showed that officials felt "price pressures were diminishing". Chances of a 25 basis point cut in interest rates at the Fed's September meeting rose to 67 per cent from 51 per cent a month ago, according to CME Fedwatch tool.

"The liquidity situation of Hong Kong stocks is expected to improve further," Melody Lai, chief strategist at Shanghai Pudong Development Bank in Hong Kong, said in a note. Global funds are set to flow into emerging markets ahead of the Fed's easing cycle, while stepped-up purchases by onshore investors also added boded well for the market, she added.

The Hang Seng Index has climbed for four straight days, the best winning streak since the bull run began in late April. That brings the holiday-shortened week's advance to 1.8 per cent, and it has all but recouped June's 2 per cent losses.

Gains were capped by a report that showed Hong Kong's private sector activity contracted at a faster pace last month amid the mainland's shaky economic recovery. The S&P Global Purchasing Managers' Index fell to 48.2 in June from 49.2 in May, remaining below the 50 mark that separates expansion from contraction, for a second month.

Elsewhere, Hong Kong's Mandatory Provident Fund (MPF) reported its best first-half performance in five years as its assets grew to a record high of HK\$1.227 trillion (US\$157.3 billion) thanks to a strong stock market. The MPF's 379 investment funds earned a combined HK\$59.6 billion in the first half, equivalent to HK\$12,500 for each member.

Other key Asian markets gained on improved risk appetite. Japan's Nikkei 225 added 0.8 per cent to hit fresh record high, South Korea's Kospi edged up 1.1 per cent and Australia's S&P/ASX 200 gained 1.2 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	162	18022	18112	17861
H. SENG FUT AUG 24	157	18050	18143	17897
H. SENG FUT SEP 24	165	18006	18081	17879
H. SENG FUT DEC 24	162	18149	18228	18037
MINI H. SENG FUT JUL 24	162	18022	18111	17865
MINI H. SENG FUT AUG 24	157	18050	18140	17898
MINI H. SENG FUT SEP 24	165	18006	18088	17867
MINI H. SENG FUT DEC 24	162	18149	18235	17998
HSCEI FUT JUL 24	63	6452	6485	6388
HSCEI FUT AUG 24	62	6472	6494	6421
HSCEI FUT SEP 24	67	6455	6482	6406
HSCEI FUT DEC 24	64	6509	6512	6511
MINI HSCEI FUT JUL 24	63	6452	6485	6388
MINI HSCEI FUT AUG 24	62	6472	6498	6416
MINI HSCEI FUT SEP 24	67	6455	6477	6411
MINI HSCEI FUT DEC 24	64	6509	6536	6460

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	52.8	-0.35	54.15	52.55
**Tencent Holdings Ltd	382.4	3	386.8	378.6
*HSBC Holdings PLC	68.85	0.7	69.25	68.15
**China Construction Bank Corp	5.54	0.16959	5.54	5.41
**Ping An Insurance Group	36.65	-0.2	37.2	36.25
**Meituan	119.7	2.6	121.6	118.8
*Hong Kong Exchanges & Clearing Ltd	249.4	-2.2	255.6	247.4
**Alibaba Group Holdings Ltd	73.15	0.95	73.95	73
**Xiaomi Corp	16.84	-0.06	17.22	16.76
**ICBC	4.83	0.1	4.85	4.73

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	11.18	-0.12	11.48	11.06
**China Mobile Ltd	77.8	-0.5	78.5	76.75
**Bank of China Ltd	3.88	0.05	3.89	3.83
*Techtronic Industries Co Ltd	90.85	0	92.95	90.7
*CK Hutchison Holdings Ltd	37.9	-0.05	38.2	37.6
*Link REIT	30.65	0.25	30.75	30.25
*CLP Holding Ltd	63.95	-0.2	64.8	63.6
**Geely Automobile Holdings Ltd	8.7	0.08	8.89	8.68
**CNOOC Ltd	23.4	0	23.55	22.95
**ANTA Sports Products Ltd	72.3	-0.9	73.6	71.65

Global Equity Indices	Close	Change	High	Low
Hang Seng	18028.28	49.71	18133.3	17942.08
HSCEI	6470.86	15.16	6511.24	6436.58
Shanghai Comp Index	2957.57	-24.808	2995.57	2955.29
Nikkei 225	40913.7	332.89	40971.2	40604.15
KOSPI	2824.94	30.93	2824.94	2808.88
S&P/ASX200	7831.84	91.959	7835.7	7739.9
DJIA	0	0	0	0
S&P 500	0	0	0	0
NASDAQ	0	0	0	0
DAX	18450.5	75.95	18468.2	18375.68
CAC	7695.78	0.83	7701.35	7667.05
FTSE100	8241.26	70.14	8257.95	8170.97

Technical Analysis

Mini Hang Seng

1st Resistance: 18292 2nd Resistance: 18563
 1st Support: 17752 2nd Support: 17481
 MACD: -127.018
 MACD DIFF: -12.6228
 RSI: 49.3497

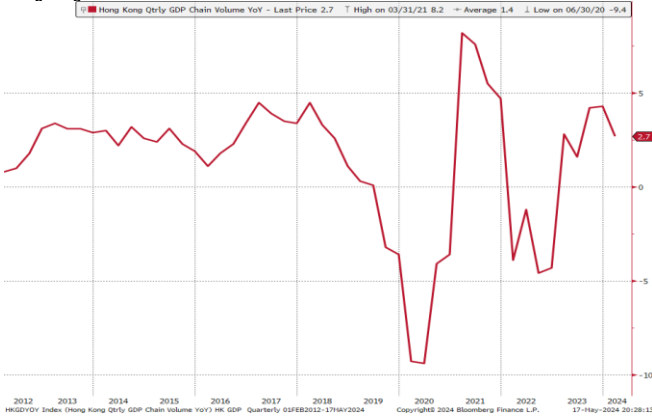
Mini Hang Seng China Enterprise

1st Resistance: 6549 2nd Resistance: 6646
 1st Support: 6355 2nd Support: 6258
 MACD: -32.307
 MACD DIFF: -3.002
 RSI: 51.8381

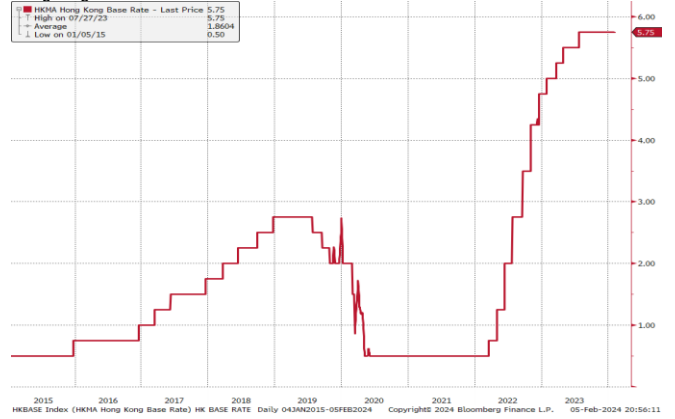
Hong Kong Economic Releases	Period	Survey	Actual	Prior	Revised
07/04/2024 08:30	S&P Global Hong Kong PMI	Jun	--	48.2	49.2
07/18/2024 16:30	Unemployment Rate SA	Jun	--	--	3.00%
07/22/2024 16:30	CPI Composite YoY	Jun	--	--	1.20%
07/31/2024 16:30	GDP SA QoQ	2Q A	--	--	2.30%
07/31/2024 16:30	GDP YoY	2Q A	--	--	2.70%
07/31/2024 16:30	Money Supply M1 HKD YoY	Jun	--	--	-8.40%
07/31/2024 16:30	Money Supply M2 HKD YoY	Jun	--	--	1.50%
07/31/2024 16:30	Money Supply M3 HKD YoY	Jun	--	--	1.50%

China Economic Releases	Period	Survey	Actual	Prior	Revised
07/03/2024 09:45	Caixin China PMI Composite	Jun	--	52.8	54.1
07/03/2024 09:45	Caixin China PMI Services	Jun	53.4	51.2	54
07/09/2024 07:15	Money Supply M2 YoY	Jun	6.80%	--	7.00%
07/09/2024 07:15	Money Supply M1 YoY	Jun	--	--	-4.20%
07/09/2024 07:15	Money Supply M0 YoY	Jun	--	--	11.70%
07/10/2024 09:30	PPI YoY	Jun	-0.80%	--	-1.40%
07/10/2024 09:30	CPI YoY	Jun	0.40%	--	0.30%
07/11/2024 07:18	FDI YTD YoY CNY	Jun	--	--	-28.20%

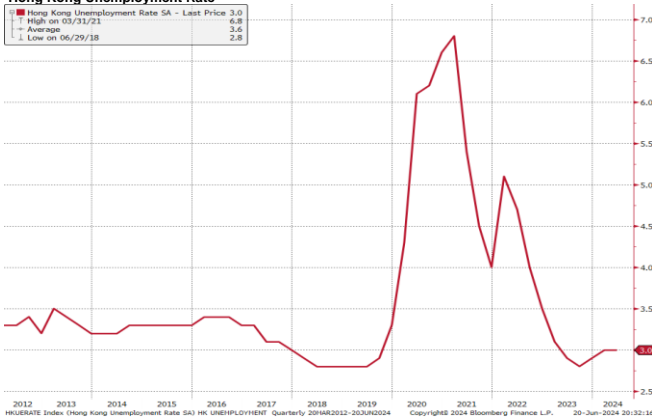
Hong Kong GDP Y on Y



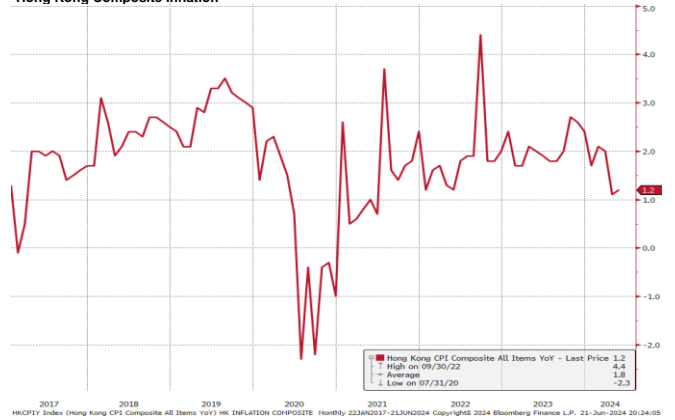
Hong Kong Base Interest Rate



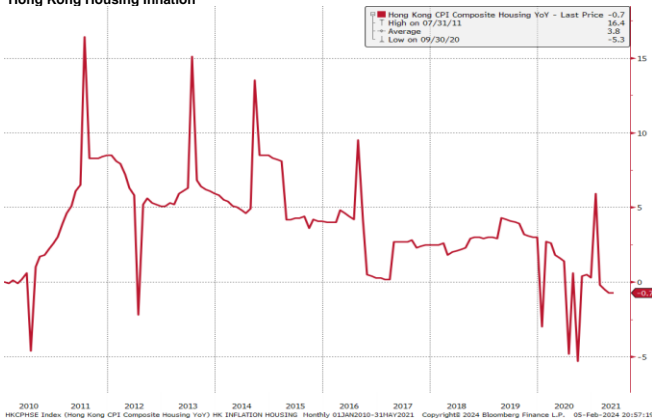
Hong Kong Unemployment Rate



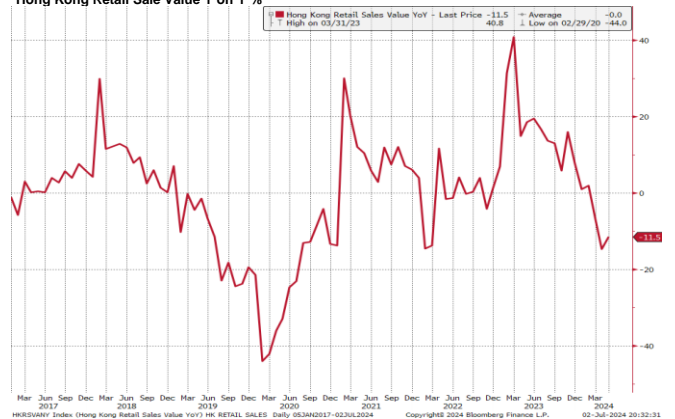
Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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