

**Fundamentals:**

Hong Kong stocks slid further on Thursday, joining the regional equities sell-off, as rising US Treasury yields and lingering scepticism about China's property market damped investor sentiment.

The Hang Seng Index fell 1.3 per cent to 18,230.19 at the close for a third straight day of losses. The Hang Seng Tech Index dropped 0.3 per cent and the Shanghai Composite Index slipped 0.6 per cent.

Tepid investor demand at a US Treasury auction fuelled supply and deficit concerns driving up bond yields, reducing the appeal of riskier equities. Japan's Nikkei 225 slid 1.3 per cent, while South Korea's Kospi retreated 1.6 per cent and Australia's S&P/ASX 200 lost 0.5 per cent.

Hong Kong stocks are seeking fresh catalysts after entering bull market territory following a 20 per cent gain from a January low. Investors are now tracking the effect of relaxation measures in China's embattled property market after first-tier cities, including Shanghai and Guangzhou, removed some of the curbs on house purchases this week. Sentiment will also be driven by the trend in corporate earnings.

"The recent volatile swings in Hong Kong stocks are due to crowded trading and slowing capital inflows," said Wang Yang, an analyst at Zhesang Securities. "Earnings are still the key that will sway the market. But for now, there's no change of expectations for earnings for Hong Kong-listed companies."

Gold producer Zijin Mining Group tumbled 5.5 per cent to HK\$16.98 as gains in bullion prices stumbled amid reduced expectations for an interest-rate cut by the Federal Reserve. Chinese property developer Longfor Group Holdings dropped 3.6 per cent to HK\$12.72 and peer China Resources Land sank 3.2 per cent to HK\$29.10. Alibaba Group Holding lost 0.7 per cent to HK\$76.30 and Tencent Holdings fell 0.8 per cent to HK\$368.

Bucking the loss in the broad market, Semiconductor Manufacturing International Corp climbed 4.9 per cent to HK\$16.84 and Hua Hong Semiconductor advanced 4 per cent to HK\$20.15. The outperformance was driven by the headline that China launched a state chip fund to fulfil its tech self-reliance strategy.

The breadth of earnings for Chinese companies, which measures the ratio of companies with earnings upgrades, has started to improve from low levels, according to Societe Generale. Margins remain a key driver of the earnings recovery as revenue growth is still sluggish and that growth now appears to be broadening beyond the discretionary and communication sectors to investment sectors, although consumer sectors should likely retain the leadership, it said in a research note on Wednesday.

Investors await the release of China's official purchasing managers' index (PMI) of the manufacturing industry which is due on Friday. The gauge is expected to rise to 50.5 in May, remaining above the expansionary zone for a third month, according to consensus estimates by the economists polled by Bloomberg.

Elsewhere, Jiangsu Wanda Special Bearing jumped more than 200 per cent from its initial public offering price to 67.98 yuan on its trading debut in Beijing.

(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 MAY 24	-218	18264	18516	18250
H. SENG FUT JUN 24	-300	18126	18459	18093
H. SENG FUT SEP 24	-310	18030	18349	18010
H. SENG FUT DEC 24	-306	18182	18493	18158
MINI H. SENG FUT MAY 24	-218	18264	18517	18250
MINI H. SENG FUT JUN 24	-300	18126	18457	18093
MINI H. SENG FUT SEP 24	-310	18030	18353	18000
MINI H. SENG FUT DEC 24	-306	18182	18500	18155
HSCEI FUT MAY 24	-75	6479	6573	6474
HSCEI FUT JUN 24	-119	6407	6539	6400
HSCEI FUT SEP 24	-117	6343	6475	6341
HSCEI FUT DEC 24	-118	6405	6455	6414
MINI HSCEI FUT MAY 24	-75	6479	6573	6473
MINI HSCEI FUT JUN 24	-119	6407	6539	6401
MINI HSCEI FUT SEP 24	-117	6343	6473	6341
MINI HSCEI FUT DEC 24	-118	6405	6525	6411

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	59.8	-0.6	60.95	59.5
**Tencent Holdings Ltd	368	-3	374.2	365.8
**HSBC Holdings PLC	68.15	-0.35	68.45	67.6
**China Construction Bank Corp	5.6	-0.09	5.7	5.56
**Ping An Insurance Group	40.25	-0.95	41.25	39.95
**Meituan	108.9	-3.8	114	107.7
*Hong Kong Exchanges & Clearing Ltd	263.4	-7.8	270.4	261
**Alibaba Group Holdings Ltd	76.3	-0.5	77.6	75.9
**Xiaomi Corp	17.7	-0.08	18.06	17.46
**ICBC	4.47	-0.08	4.56	4.46

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	11.2	-0.22	11.46	11.06
**China Mobile Ltd	73.25	-0.65	74.1	73.1
**Bank of China Ltd	3.71	-0.07	3.8	3.68
*Techtronic Industries Co Ltd	95.4	-1.05	97.45	93.75
*CK Hutchison Holdings Ltd	38.05	-1.15	39.1	37.85
*Link REIT	33.95	-0.75	34.6	33.55
*CLP Holding Ltd	62.95	-1.7	65.15	62.6
**Geely Automobile Holdings Ltd	9.65	-0.24	9.94	9.61
**CNOOC Ltd	20.45	-0.5	21	20.25
**ANTA Sports Products Ltd	83.6	-2.35	86.95	83.15

Global Equity Indices	Close	Change	High	Low
Hang Seng	18230.19	-246.82	18537.9	18163.21
HSCEI	6462.95	-94.53	6579.48	6440.05
Shanghai Comp Index	3091.68	-19.34	3121.22	3085.384
Nikkei 225	38054.1	-502.74	38138	37617
KOSPI	2635.44	-41.86	2666.63	2635.44
S&P/ASX200	7628.2	-37.429	7665.6	7601.5
DJIA	38135.2	-306.37	38368.4	38000.96
S&P 500	5246.64	-20.31	5260.21	5241.49
NASDAQ	16774.2	-146.38	16900.5	16754.41
DAX	18496.8	23.5	18531.9	18394.43
CAC	7978.51	0.55	7981.08	7914.17
FTSE100	8231.05	47.98	8236.25	8148.49

**Technical Analysis**

**Mini Hang Seng**

1st Resistance:	18538	2nd Resistance:	18812
1st Support:	17990	2nd Support:	17716
MACD:	266.985		
MACD DIFF:	-163.602		
RSI:	46.6099		

**Mini Hang Seng China Enterprise**

1st Resistance:	6576	2nd Resistance:	6673
1st Support:	6382	2nd Support:	6285
MACD:	103.113		
MACD DIFF:	-61.310		
RSI:	46.9262		

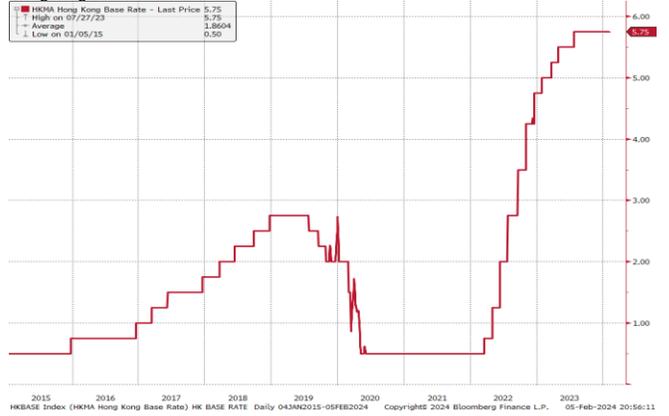
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
05/17/2024 16:30	GDP SA QoQ	1Q F	2.30%	2.30%	2.30%	--
05/17/2024 16:31	GDP YoY	1Q F	2.70%	2.70%	2.70%	--
05/20/2024 16:30	Unemployment Rate SA	Apr	3.00%	3.00%	3.00%	--
05/23/2024 16:30	CPI Composite YoY	Apr	2.00%	1.10%	2.00%	--
05/31/2024 16:30	Retail Sales Volume YoY	Apr	--	--	-8.60%	--
05/31/2024 16:30	Retail Sales Value YoY	Apr	--	--	-7.00%	--
05/31/2024 16:30	Money Supply M1 HKD YoY	Apr	--	--	-11.40%	--
05/31/2024 16:30	Money Supply M2 HKD YoY	Apr	--	--	-0.40%	--
05/31/2024 16:30	Money Supply M3 HKD YoY	Apr	--	--	-0.40%	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
05/17/2024 10:00	Retail Sales YoY	Apr	3.70%	2.30%	3.10%	--
05/17/2024 10:00	Retail Sales YTD YoY	Apr	4.60%	4.10%	4.70%	--
05/17/2024 10:00	Surveyed Jobless Rate	Apr	5.20%	0.05	5.20%	--
05/17/2024 05/18	FDI YTD YoY CNY	Apr	--	-27.90%	-26.10%	--
05/27/2024 09:30	Industrial Profits YTD YoY	Apr	--	4.30%	4.30%	--
05/27/2024 09:30	Industrial Profits YoY	Apr	--	4.00%	-3.50%	--
05/31/2024 09:30	Composite PMI	May	--	--	51.7	--
05/31/2024 09:30	Manufacturing PMI	May	--	--	50.4	--
05/31/2024 09:30	Non-manufacturing PMI	May	--	--	51.2	--

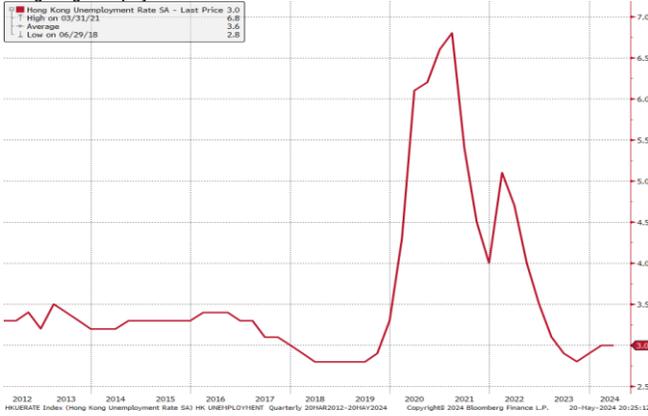
### Hong Kong GDP Y on Y



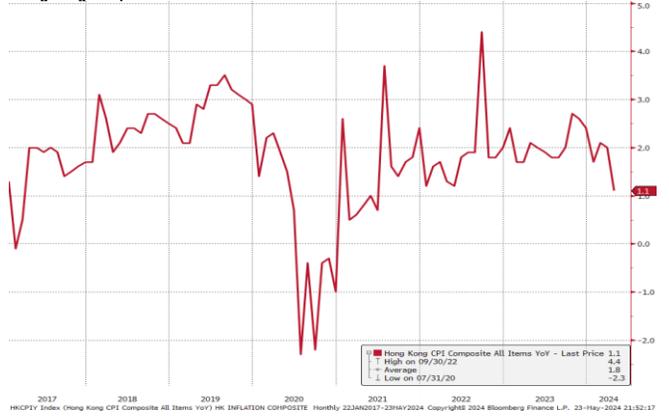
### Hong Kong Base Interest Rate



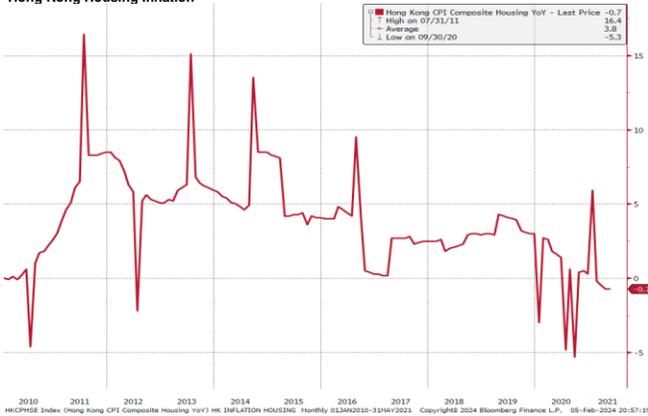
### Hong Kong Unemployment Rate



### 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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