

Fundamentals:

Hong Kong stocks gained for a second day as buyers swarmed after a two-week correction amid signs of stability in China's crisis-hit property sector, with growing US rate cut hopes also fanning sentiment.

The Hang Seng Index edged up 0.2 per cent to 18,444.11 at close of trade on Tuesday, on the heels of Monday's 1.8 per cent jump. The Tech Index gained 0.3 per cent, and the Shanghai Composite Index added 0.4 per cent.

Food delivery platform Meituan advanced 4.1 per cent to HK\$113.50 ahead of its earnings report later this week, and Tencent added 0.6 per cent to HK\$377.40. Hang Lung Property rallied 3.2 per cent to HK\$7.53 and Longfor jumped 3.8 per cent to HK\$13.04, leading gains among property developers.

"We suggest a neutral to slightly bullish investment approach after recent correction in May," Citigroup analysts said in an note on Tuesday. The recent top-level policy turnaround and supports for individual firms are stabilising the property sector, which will also benefit China equity, they said.

The Hang Seng Index, which has rebounded as much as 31 per cent from the year's low struck last month, experienced a two-week pullback as traders took profits after patchy earnings and economic reports. Local shares are still among the cheapest among regional peers, with Hang Seng Index's price-to-earnings ratio standing at 9.67, according to Bloomberg data.

Sentiment for local stocks got a lift after the US economy showed more signs of slowing down, with manufacturing activities contracting more than expected in May. That reinforced belief that the Federal Reserve will deliver at least one interest rate cut this year, with odds of the first cut coming through in September rising above 50 per cent, according to CME FedWatch Tool.

"The trajectory of Hong Kong market would mainly depend on whether foreign funds can continue the net inflows" going forward, Wang Yi, an analyst at Huzata Securities, said in a note on Monday. If the Federal Reserve's monetary policy shifts towards easing, it could potentially open up further upside for the local stock's valuation, he added.

Elsewhere, China Vanke jumped 7 per cent to HK\$5.80, after the company said home sales for May rose 11.3 per cent from the previous month.

Limiting gains, China's three oil giants PetroChina, Sinopec and CNOOC declined by 1.7 to 1.9 per cent on expectations that Opec will extend production cuts. EV maker Li Auto declined 2.9 per cent to HK\$79.95.

Other key Asian markets declined. Japan's Nikkei 225 lost 0.2 per cent, Australia's S&P/ASX 200 weakened 0.3 per cent and South Korea's Kospi lost 0.8 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	-31	18314	18440	18121
H. SENG FUT JUL 24	-36	18220	18336	18050
H. SENG FUT SEP 24	-35	18217	18292	18055
H. SENG FUT DEC 24	-36	18376	18481	18280
MINI H. SENG FUT JUN 24	-31	18314	18440	18121
MINI H. SENG FUT JUL 24	-36	18220	18348	18040
MINI H. SENG FUT SEP 24	-35	18217	18345	18048
MINI H. SENG FUT DEC 24	-36	18376	18500	18200
HSCEI FUT JUN 24	-6	6494	6542	6410
HSCEI FUT JUL 24	-7	6429	6472	6370
HSCEI FUT SEP 24	-6	6432	6480	6361
HSCEI FUT DEC 24	-5	6495	6534	6418
MINI HSCEI FUT JUN 24	-6	6494	6542	6408
MINI HSCEI FUT JUL 24	-7	6429	6472	6350
MINI HSCEI FUT SEP 24	-6	6432	6471	6363
MINI HSCEI FUT DEC 24	-5	6495	6524	6428

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	58.9	-0.95	60	58.55
**Tencent Holdings Ltd	377.4	2.4	379.6	373.8
**HSBC Holdings PLC	68.5	-0.65	69.5	68.5
**China Construction Bank Corp	5.61	-0.01	5.63	5.56
**Ping An Insurance Group	40.8	0.45	41.55	40.25
**Meituan	113.5	4.5	115	108.6
*Hong Kong Exchanges & Clearing Ltd	271	3.4	273	267.4
**Alibaba Group Holdings Ltd	76.4	-0.25	76.85	75.9
**Xiaomi Corp	17.78	-0.12	17.92	17.68
**ICBC	4.43	-0.04	4.49	4.41

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	11.78	0.46	11.9	11.26
**China Mobile Ltd	76.25	0.05	77	75.6
**Bank of China Ltd	3.72	-0.01	3.75	3.68
*Techtronic Industries Co Ltd	96.2	0.3	96.5	94.7
*CK Hutchison Holdings Ltd	38.7	0.15	38.85	38.25
*Link REIT	33.95	0.1	34.45	33.75
*CLP Holding Ltd	64.45	1.4	64.8	63.45
**Geely Automobile Holdings Ltd	9.7	-0.1	9.91	9.68
**CNOOC Ltd	20.65	-0.4	20.95	20.1
**ANTA Sports Products Ltd	87.2	1.95	88	85

Global Equity Indices	Close	Change	High	Low
Hang Seng	18444.11	41.07	18541	18335.45
HSCEI	6554.32	22.33	6589.77	6498.57
Shanghai Comp Index	3091.2	12.71	3095.32	3063.588
Nikkei 225	38837.5	-85.57	38895.1	38591.79
KOSPI	2662.1	-20.42	2679.47	2659.43
S&P/ASX200	7737.06	-23.971	7768.2	7737.1
DJIA	38647.4	76.33	38786.6	38397.82
S&P 500	5283.46	0.06	5298.8	5257.63
NASDAQ	16818.3	-10.35	16891.9	16750.39
DAX	18405.6	-202.52	18608.3	18365.53
CAC	7937.9	-0.75	7984.25	7914.27
FTSE100	8232.04	-30.71	8263.38	8200.26

Technical Analysis

Mini Hang Seng

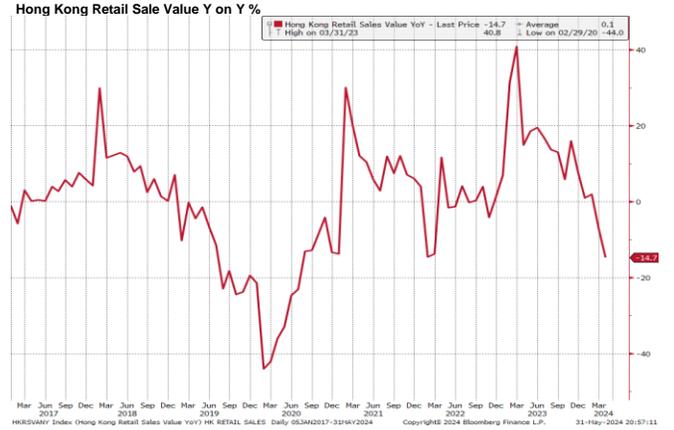
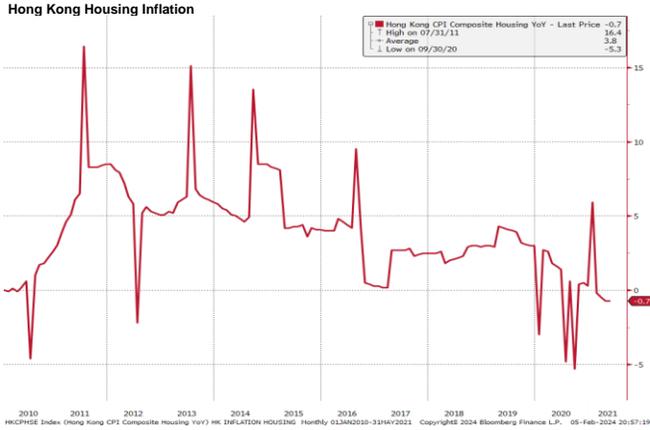
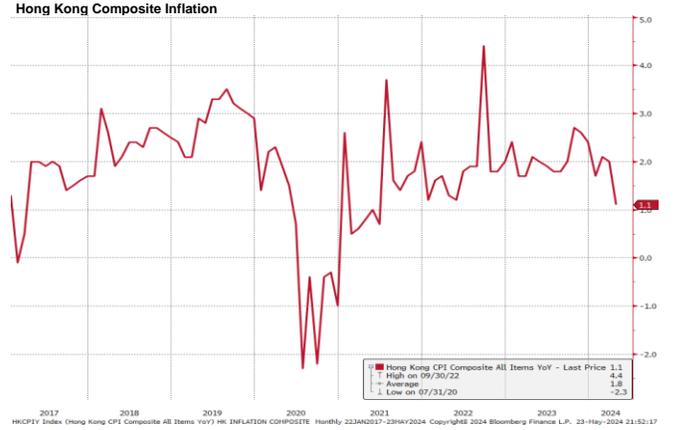
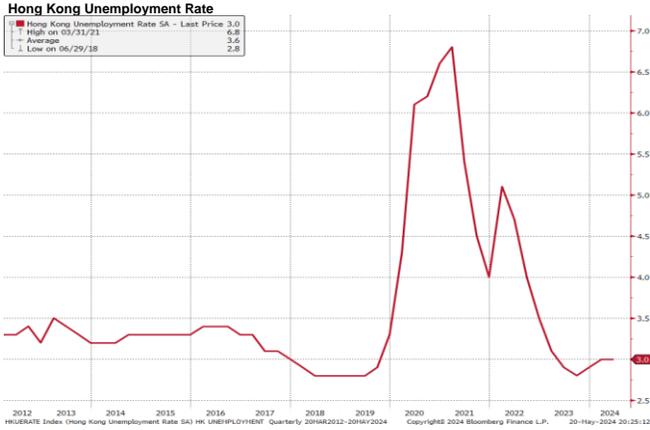
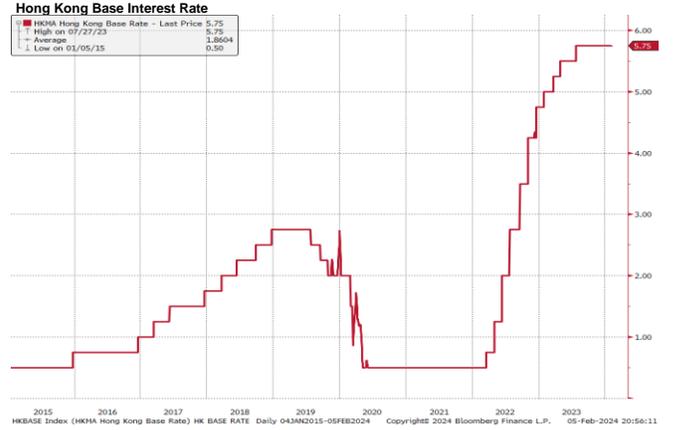
1st Resistance:	18589	2nd Resistance:	18863
1st Support:	18039	2nd Support:	17765
MACD:	121.345		
MACD DIFF:	-172.258		
RSI:	48.3928		

Mini Hang Seng China Enterprise

1st Resistance:	6591	2nd Resistance:	6689
1st Support:	6397	2nd Support:	6299
MACD:	46.504		
MACD DIFF:	-65.541		
RSI:	48.6629		

Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
05/31/2024 16:30	Retail Sales Volume YoY	Apr	-9.10%	-16.50%	-8.60%	-8.70%
05/31/2024 16:30	Retail Sales Value YoY	Apr	-6.30%	-14.70%	-7.00%	--
05/31/2024 16:30	Money Supply M1 HKD YoY	Apr	--	-9.90%	-11.40%	--
05/31/2024 16:30	Money Supply M2 HKD YoY	Apr	--	0.50%	-0.40%	--
05/31/2024 16:30	Money Supply M3 HKD YoY	Apr	--	0.50%	-0.40%	--
06/05/2024 08:30	S&P Global Hong Kong PMI	May	--	--	50.6	--
06/14/2024 16:30	PPI YoY	1Q	--	--	2.70%	--
06/14/2024 16:30	Industrial Production YoY	1Q	--	--	4.10%	--
06/20/2024 16:30	Unemployment Rate SA	May	--	--	3.00%	--
06/21/2024 16:30	BoP Current Account Balance	1Q	--	--	\$71.20b	\$70.72b
06/21/2024 16:30	BoP Overall	1Q	--	--	-\$9.11b	--
06/21/2024 16:30	CPI Composite YoY	May	--	--	1.10%	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
05/31/2024 09:30	Composite PMI	May	--	51	51.7	--
05/31/2024 09:30	Manufacturing PMI	May	50.5	49.5	50.4	--
05/31/2024 09:30	Non-manufacturing PMI	May	51.5	51.1	51.2	--
06/09/2024 06/15	Money Supply M2 YoY	May	--	--	7.20%	--
06/09/2024 06/15	Money Supply M1 YoY	May	--	--	-1.40%	--
06/09/2024 06/15	Money Supply M0 YoY	May	--	--	10.80%	--
06/11/2024 06/18	FDI YTD YoY CNY	May	--	--	-27.90%	--
06/12/2024 09:30	PPI YoY	May	--	--	-2.50%	--
06/12/2024 09:30	CPI YoY	May	--	--	0.30%	--
06/17/2024 10:00	Industrial Production YoY	May	--	--	6.70%	--
06/17/2024 10:00	Industrial Production YTD YoY	May	--	--	6.30%	--
06/17/2024 10:00	Retail Sales YoY	May	--	--	2.30%	--
06/17/2024 10:00	Retail Sales YTD YoY	May	--	--	4.10%	--



(Source: Bloomberg)

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