

Fundamentals:

Hong Kong stocks gained ahead of trade data that is likely to show more signs of recovery in the Chinese economy, while sentiment was also driven by hopes the US Federal Reserve could start cutting rates this year following a weak US May private payrolls report overnight.

The Hang Seng Index added 0.3 per cent to close at 18,476.80 on Thursday, after gaining as much as 1.5 per cent earlier in the day. The Tech Index jumped 0.9 per cent, while the Shanghai Composite Index declined 0.5 per cent.

HSBC gained 0.6 per cent to HK\$68.50 and developer Sun Hung Kai Properties climbed 0.7 per cent to HK\$75. China's largest chipmaker Semiconductor Manufacturing International Corporation (SMIC) jumped 5.6 per cent to HK\$18.06 amid a global chip stocks' frenzy. Online travel agency Trip.com climbed 1.8 per cent to HK\$407.40, rebounding from lows struck after its convertible bonds sales plan.

A government report on Friday is expected to show China's exports expanded by 5.7 per cent in May, a faster pace compared with the 1.5 per cent growth in April, according to estimates in a Bloomberg poll.

"Macro data is likely to show more consistent improvements in the coming months as the previous policy support measures start to come through, so I don't think there could be much downside surprise on this front," said Jason Chan, senior investment strategist at Bank of East Asia. Meanwhile, the market is more confident about interest rate cuts in the US following soft labour market data and this has fuelled risk appetite, he added.

Adding to the optimism, the battered property market has shown some signs of a revival as Country Garden followed Vanke in reporting better sales on the heels of Beijing's stimulus package.

The Hang Seng Index has gained 2.2 per cent so far this week, and could end the two-week losing streak with more signs of recovery in the property market and growing US rate cut bets. Diversification and investment in China is desirable despite the geopolitical risks as Chinese assets are still relatively cheap, Ray Dalio said on Wednesday.

Other key Asian markets advanced after S&P 500 hit new highs overnight. Japan's Nikkei 225 gained 0.6 per cent and Australia's S&P/ASX 200 rose 0.7 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	112	18420	18628	18298
H. SENG FUT JUL 24	108	18321	18530	18207
H. SENG FUT SEP 24	106	18317	18481	18220
H. SENG FUT DEC 24	106	18476	18648	18400
MINI H. SENG FUT JUN 24	112	18420	18626	18298
MINI H. SENG FUT JUL 24	108	18321	18530	18209
MINI H. SENG FUT SEP 24	106	18317	18520	18208
MINI H. SENG FUT DEC 24	106	18476	18685	18366
HSCEI FUT JUN 24	28	6520	6603	6480
HSCEI FUT JUL 24	27	6454	6526	6420
HSCEI FUT SEP 24	29	6456	6528	6420
HSCEI FUT DEC 24	27	6520	6560	6482
MINI HSCEI FUT JUN 24	28	6520	6603	6478
MINI HSCEI FUT JUL 24	27	6454	6535	6415
MINI HSCEI FUT SEP 24	29	6456	6537	6425
MINI HSCEI FUT DEC 24	27	6520	6563	6495

Technical Analysis

Mini Hang Seng

1st Resistance: 18696 2nd Resistance: 18973
 1st Support: 18144 2nd Support: 17867
 MACD: 80.641
 MACD DIFF: -138.451
 RSI: 50.5807

Mini Hang Seng China Enterprise

1st Resistance: 6618 2nd Resistance: 6716
 1st Support: 6422 2nd Support: 6324
 MACD: 30.520
 MACD DIFF: -53.136
 RSI: 50.0921

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	59.05	-0.1	60.05	58.8
**Tencent Holdings Ltd	381.6	0.8	391	379
*HSBC Holdings PLC	68.5	0.4	68.75	68.2
**China Construction Bank Corp	5.59	-0.01	5.66	5.56
**Ping An Insurance Group	40.55	-0.4	41.9	39.9
**Meituan	112.7	0.1	116	111
*Hong Kong Exchanges & Clearing Ltd	273	-1	279	270.6
**Alibaba Group Holdings Ltd	77.1	0.15	78.45	76.65
**Xiaomi Corp	17.96	0.26	18.4	17.82
**ICBC	4.37	-0.04	4.46	4.34

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	11.56	-0.22	12.04	11.4
**China Mobile Ltd	74.6	1.3	74.9	73.75
**Bank of China Ltd	3.76	0.02	3.79	3.73
*Techtronic Industries Co Ltd	99.8	3.7	100.2	97.05
*CK Hutchison Holdings Ltd	38.85	-0.35	39.8	38.5
*Link REIT	34.1	0.1	34.85	33.9
*CLP Holding Ltd	64.8	0.9	65.15	63.9
**Geely Automobile Holdings Ltd	9.81	-0.02	9.95	9.72
**CNOOC Ltd	21.1	0.8	21.35	20.5
**ANTA Sports Products Ltd	87.1	-0.65	88.8	86.15

Global Equity Indices	Close	Change	High	Low
Hang Seng	18476.80	51.84	18700.7	18383.8
HSCEI	6555.06	12.59	6640.8	6518.56
Shanghai Comp Index	3048.79	-16.609	3077.67	3040.83
Nikkei 225	38703.5	213.34	39011.9	38693.5
KOSPI	0	0	0	0
S&P/ASX200	7821.77	52.764	7837.8	7769
DJIA	38859.3	51.94	39004.2	38735.99
S&P 500	5349.21	-4.82	5362.35	5335.36
NASDAQ	17166.4	-21.48	17235.7	17123.59
DAX	18652.7	76.73	18784.7	18576.58
CAC	8040.12	0.42	8055.52	8015.69
FTSE100	8285.34	38.39	8287.07	8246.95

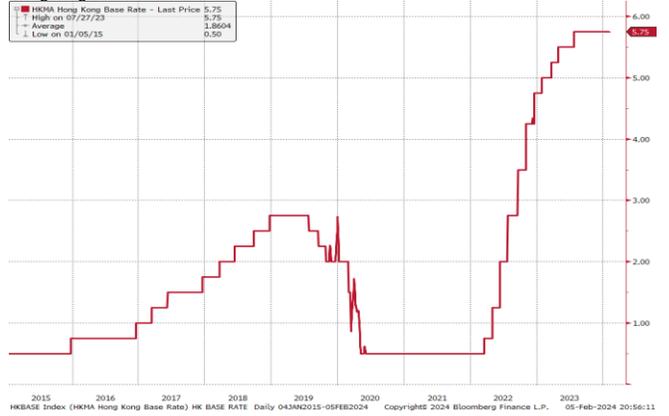
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
05/31/2024 16:30	Retail Sales Volume YoY	Apr	-9.10%	-16.50%	-8.60%	-8.70%
05/31/2024 16:30	Retail Sales Value YoY	Apr	-6.30%	-14.70%	-7.00%	--
05/31/2024 16:30	Money Supply M1 HKD YoY	Apr	--	-9.90%	-11.40%	--
05/31/2024 16:30	Money Supply 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	--	49.2	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%	--

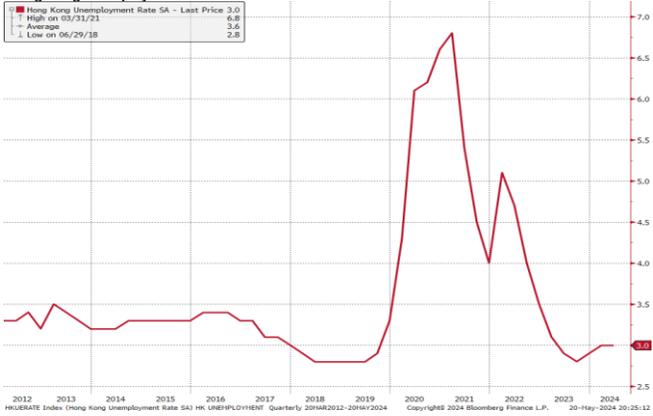
Hong Kong GDP Y on Y



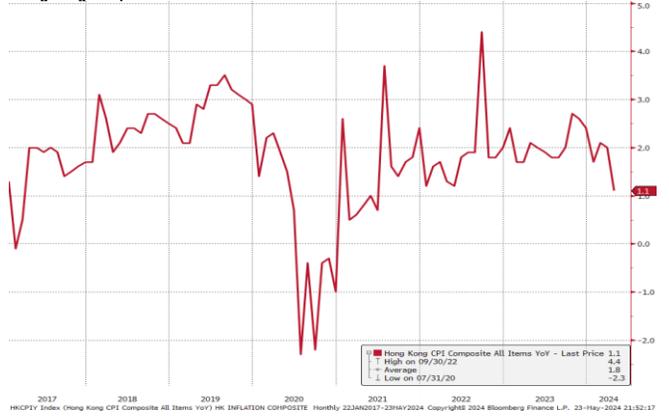
Hong Kong Base Interest Rate



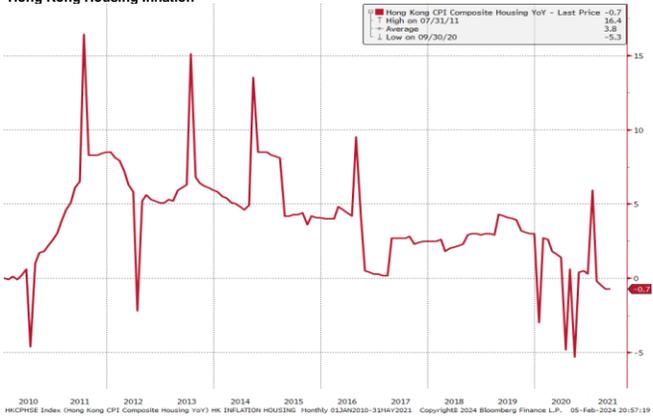
Hong Kong Unemployment Rate



Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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