

**Fundamentals:**

Hong Kong stocks made marginal gains on Wednesday, as investors awaited policy announcements from China's third plenum, amid broadly upbeat views on the outlook for the world's second-largest economy.

The Hang Seng Index edged up 0.1 per cent to 17,739.41 at closing of trade. The Hang Seng Tech Index advanced 0.5 per cent, while the Shanghai Composite Index added 0.1 per cent.

JD.com added 2.4 per cent to HK\$107 while its medical unit JD Health surged 4.1 per cent to HK\$21.75. Baidu advanced 0.5 per cent to HK\$91.65 and Alibaba gained 1.4 per cent to HK\$76.55. Sportswear brand Li Ning jumped 6.3 per cent to HK\$15.86 while dairy product maker Mengniu Dairy advanced 45.7 per cent to HK\$15.22.

Analysts reacted after China's National Bureau of Statistics released the sectoral breakdown of the second quarter GDP data on Tuesday.

"In light of new headwinds, including the slump in equity financing and the tightening of tax collection, we hold a cautious view of the second half and expect growth to slow from 5.0 per cent year-on-year in the first half to around 4.2 per cent in the second half," Ting Lu, chief China economist at Nomura wrote in a note on Wednesday.

"Beijing may be under pressure to announce more measures in coming months, especially after September, when concerns over the growth slowdown may become more elevated."

Earlier this week, Barclays cut their China GDP forecast to 4.8 per cent from 5 per cent. Goldman Sachs reduced theirs to 4.9 per cent from 5 per cent and JPMorgan downgraded it to 4.7 per cent from 5.2 per cent.

But the International Monetary Fund on Tuesday raised China's GDP growth forecast for 2024 to 5 per cent from 4.6 per cent, citing a rebound in private consumption and strong exports.

HSBC's shares were steady at HK\$67.20 after the largest lender in Europe and Hong Kong, promoted its chief financial officer (CFO) Georges Elhedery as chief executive to replace Noel Quinn, who retires on September 1.

"HSBC's strategies to improve returns, including cost savings and disposal of low-efficiency business is likely to remain," said Manyi Li, DBS analyst. "Key thing to watch is how the new CEO will deal with the increasing geopolitical uncertainty environment when HSBC is operating as a global bank."

China's third plenum kicked off this week - the much-anticipated four-day closed door meeting of its Communist Party's Central Committee. Previous third plenum unveiled landmark policy changes that are expected to shape the nation's economic strategy in the coming years.

The lack of direction in Hong Kong and A-share market is partly due to weak economic data and slower than expected consumption, while traders are pricing in what may come out of the third plenary, said Kenny Wen, the head of investment strategy at KGI Asia.

"The market expects [the plenary] will focus on technological development and reaffirm the importance of 'new productive forces' to vigorously promote self-reliance," he said. "There will not be any disruptive policy, but a continuation or expansion of existing reform measures."

The outcome of the meeting will be unveiled in a statement on Thursday evening.

Meanwhile, traders are increasingly convinced that the US Federal Reserve will cut its benchmark interest rates at its September meeting.

Hong Kong's government green bonds will also be priced in on Wednesday. The bonds, which are expected to be rated AA+ by S&P Global and AA- by Fitch Ratings, are to be issued under the government's HK\$500 billion (US\$64 billion) global medium-term note programme.

Other major Asian markets were mixed. Australia's S&P/ASX 200 advanced 0.7 per cent while South Korea's Kospi fell 0.8 per cent. Japan's Nikkei 225 climbed 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	-4	17741	17853	17653
H. SENG FUT AUG 24	2	17771	17876	17684
H. SENG FUT SEP 24	3	17725	17808	17650
H. SENG FUT DEC 24	0	17880	17980	17818
MINI H. SENG FUT JUL 24	-4	17741	17852	17659
MINI H. SENG FUT AUG 24	2	17771	17874	17683
MINI H. SENG FUT SEP 24	3	17725	17854	17640
MINI H. SENG FUT DEC 24	0	17880	17981	17793
HSCEI FUT JUL 24	-13	6304	6356	6284
HSCEI FUT AUG 24	-14	6320	6372	6306
HSCEI FUT SEP 24	-15	6303	6344	6282
HSCEI FUT DEC 24	-15	6367	6400	6350
MINI HSCEI FUT JUL 24	-13	6304	6357	6285
MINI HSCEI FUT AUG 24	-14	6320	6373	6301
MINI HSCEI FUT SEP 24	-15	6303	6346	6285
MINI HSCEI FUT DEC 24	-15	6367	6409	6350

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	54.55	0.95	54.65	53.6
**Tencent Holdings Ltd	371.8	-6.2	377.4	368.4
*HSBC Holdings PLC	67.2	0.1	67.5	67
**China Construction Bank Corp	5.46	-0.01	5.53	5.44
**Ping An Insurance Group	34.3	0.2	34.65	34
**Meituan	119.1	1.6	120.5	116
*Hong Kong Exchanges & Clearing Ltd	243	1.2	244	240.6
**Alibaba Group Holdings Ltd	76.3	0.8	76.95	75.8
**Xiaomi Corp	16.78	0.44	16.94	16.26
**ICBC	4.36	-0.01	4.43	4.36

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	11.28	0.24	11.42	11.06
**China Mobile Ltd	75	-1.8	77.25	75
*Bank of China Ltd	3.44	-0.04	3.49	3.42
*Techtronic Industries Co Ltd	100	4.55	100	95.85
*CK Hutchison Holdings Ltd	40.5	0.55	40.7	39.7
*Link REIT	32.75	0.25	33	32.5
*CLP Holding Ltd	65	0.25	65.25	64.45
**Geely Automobile Holdings Ltd	8.23	0.02	8.36	8.19
**CNOOC Ltd	21.15	-1.15	22.4	20.7
**ANTA Sports Products Ltd	74.65	1.05	75.4	72.95

Global Equity Indices	Close	Change	High	Low
Hang Seng	17739.41	11.43	17807.7	17658.68
HSCEI	6297.49	-19.04	6347.22	6278.73
Shanghai Comp Index	2962.86	-13.449	2972.8	2957.948
Nikkei 225	41097.7	-177.39	41466.5	41054.72
KOSPI	2843.29	-22.8	2868.58	2841.33
S&P/ASX200	8057.89	58.573	8083.7	7999.3
DJIA	41162.5	207.99	41222	40849.71
S&P 500	5597.13	-70.07	5622.49	5584.81
NASDAQ	18023.9	-485.47	18223.2	17972.87
DAX	18437.3	-80.73	18532.7	18347.24
CAC	7570.81	-0.12	7603.46	7524.88
FTSE100	8187.46	22.56	8204.29	8132.02

**Technical Analysis**

**Mini Hang Seng**

1st Resistance:	18007	2nd Resistance:	18273
1st Support:	17475	2nd Support:	17209
MACD:	-79.274		
MACD DIFF:	24.3371		
RSI:	45.9982		

**Mini Hang Seng China Enterprise**

1st Resistance:	6399	2nd Resistance:	6493
1st Support:	6209	2nd Support:	6115
MACD:	-24.077		
MACD DIFF:	3.304		
RSI:	45.2447		

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
07/15/2024 10:00	GDP YoY	2Q	5.10%	4.70%	5.30%	--
07/15/2024 10:00	GDP SA QoQ	2Q	0.90%	0.70%	1.60%	--
07/15/2024 10:00	GDP YTD YoY	2Q	5.20%	5.00%	5.30%	--
07/15/2024 10:00	Retail Sales YoY	Jun	3.40%	2.00%	3.70%	--
07/15/2024 10:00	Retail Sales YTD YoY	Jun	4.00%	3.70%	4.10%	--
07/31/2024 09:30	Composite PMI	Jul	--	--	50.5	--
07/31/2024 09:30	Manufacturing PMI	Jul	--	--	49.5	--
07/31/2024 09:30	Non-manufacturing PMI	Jul	--	--	50.5	--

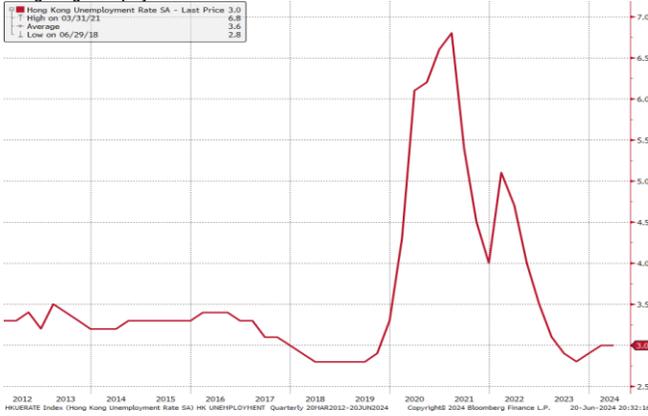
### Hong Kong GDP Y on Y



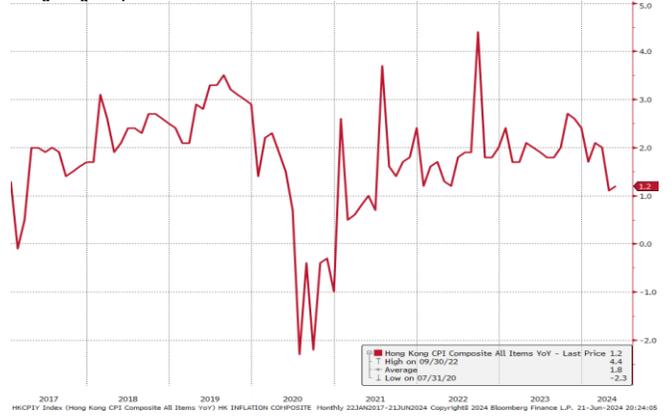
### Hong Kong Base Interest Rate



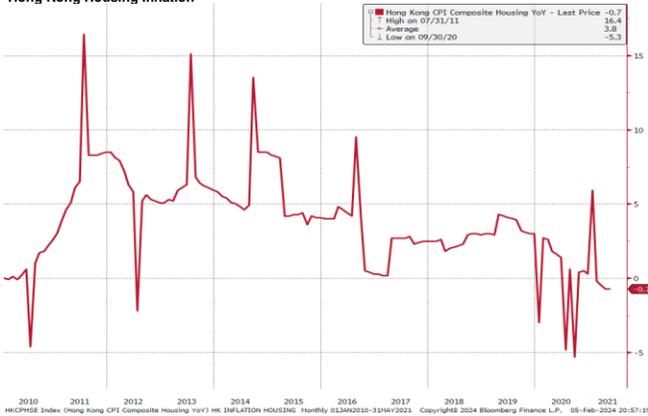
### Hong Kong Unemployment Rate



### 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

Disclaimer: This document has been prepared for general circulation based on information obtained from sources believed to be reliable but we do not make any representations as to its accuracy or completeness.

Any recommendation contained in this document does not have regard to the specific investment objectives, financial background and the particular needs of any person who may read this document.

This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement and assessment by addressees in relation to any investment decision.

Kenanga Futures Sdn Bhd accepts no liability whatsoever for any direct or consequential loss arising from any use of this document or any solicitations of an offer to buy or sell any securities/underlying securities.

Kenanga Futures Sdn Bhd and its associates, their directors, and/or employees may have positions in, and may effect transactions in securities/underlying securities mentioned herein from time to time in the open market or otherwise, and may receive brokerage fees or act as principal or agent in dealings with respect to these companies.