

**Fundamentals:**

Hong Kong stocks inched up on Thursday, reversing earlier tech-related losses as investors priced in their expectations of supportive policy announcements after China's third plenum.

The Hang Seng Index added 0.2 per cent to 17,778.41 at close of trade. The Hang Seng Tech Index dropped 0.8 per cent, as concerns remained about further US restrictions on chip sales to China. The Shanghai Composite Index added 0.6 per cent.

China Resources residential property unit Mixc Lifestyle rose 3 per cent to HK\$25.40, while Budweiser Brewing company added 3.4 per cent to HK\$10.30.

Tech stocks clawed back some of the morning's losses which contributed to the benchmark's return to positive territory.

"We will likely hear some positive rhetoric coming out of the meeting but whether this is accompanied by concrete actions is another matter," said Tim Waterer, chief market analyst at KCM Trade. "So, there is some cautious optimism, however Chinese officials have shown restraint when it comes to implementing large-scale policy actions."

Nongfu Spring company surged 7.8 per cent to HK\$35.80, after a report from the Hong Kong Consumer Council, which said the company's bottled water contained bromate, was criticised by lawmakers as being misleading. The consumer watchdog has since apologised for listing the brand in an incorrect category and re-evaluated it as a five-star product.

Tech stocks struggled amid concerns the Biden administration is floating tougher trade rules on China's chip makers, according to a report by Bloomberg. Semiconductor maker Hua Hong fell 0.9 per cent to HK\$22.40 while BYD Electronic tumbled 1.7 per cent to HK\$34.45.

The report said the US is considering imposition of a measure called the foreign direct product rule, and it told allies it could announced severe curbs on companies like Tokyo Electron and ASML if they keep giving China access to advanced semiconductor technology.

Shares in Tokyo Electron fell 8.8 per cent on Japan's stock exchange, while ASML shares plunged 11 per cent in Amsterdam. TSMC's shares fell 2.4 per cent to NT\$1005, as investors ignored the Taiwanese chip maker's second quarter earnings which were ahead of street expectations.

Meanwhile, investors eagerly await the results of China's third plenum - the much-anticipated four-day closed door meeting of its Communist Party's Central Committee, due out later today. Previous third plenum unveiled landmark policy changes that have shaped the nation's economic strategy for several years.

"The Third Plenum will likely add market-oriented reforms of SOEs as an important aspect of long-term economic reform plans," said analysts at Everbright Securities in a note. "We think this involves divesting of non-core businesses and improving dividend payout ratios."

Other major Asian markets fell. Australia's S&P/ASX 200 fell 0.3 per cent while South Korea's Kospi dropped 0.7 per cent. Japan's Nikkei 225 plunged 2.4 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	68	17809	17894	17634
H. SENG FUT AUG 24	63	17834	17916	17661
H. SENG FUT SEP 24	64	17789	17872	17618
H. SENG FUT DEC 24	64	17944	18025	17800
MINI H. SENG FUT JUL 24	68	17809	17894	17635
MINI H. SENG FUT AUG 24	63	17834	17919	17661
MINI H. SENG FUT SEP 24	64	17789	17872	17619
MINI H. SENG FUT DEC 24	64	17944	18030	17777
HSCEI FUT JUL 24	12	6316	6350	6246
HSCEI FUT AUG 24	12	6332	6360	6274
HSCEI FUT SEP 24	11	6314	6345	6252
HSCEI FUT DEC 24	11	6378	6392	6322
MINI HSCEI FUT JUL 24	12	6316	6350	6246
MINI HSCEI FUT AUG 24	12	6332	6365	6264
MINI HSCEI FUT SEP 24	11	6314	6344	6254
MINI HSCEI FUT DEC 24	11	6378	6406	6316

Major HSI Constituent Stocks	Close	Change	High	Low
*Alia Group Ltd	54.55	0	54.9	54.05
**Tencent Holdings Ltd	369.2	-2.6	371.6	367
*HSBC Holdings PLC	67.8	0.6	68.2	67.4
**China Construction Bank Corp	5.48	0.02	5.54	5.44
**Ping An Insurance Group	34.5	0.2	34.8	34.1
**Meituan	119.4	0.3	120.4	116.8
*Hong Kong Exchanges & Clearing Ltd	241.4	-1.6	243.2	240.4
**Alibaba Group Holdings Ltd	75.8	-0.5	76.1	75.1
**Xiaomi Corp	16.84	0.06	17.04	16.6
**ICBC	4.36	0	4.41	4.33

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	11.24	-0.04	11.34	11.1
**China Mobile Ltd	75.85	0.85	76.5	74.45
**Bank of China Ltd	3.45	0.01	3.48	3.42
*Techtronic Industries Co Ltd	98.9	-1.1	100.6	98.4
*CK Hutchison Holdings Ltd	40.85	0.35	41.25	40.55
*Link REIT	32.7	-0.05	32.8	32
*CLP Holding Ltd	65.5	0.5	65.7	64.8
**Geely Automobile Holdings Ltd	8.17	-0.06	8.22	8.08
**CNOOC Ltd	21.55	0.4	21.8	21.1
**ANTA Sports Products Ltd	74.65	0	75.65	74.05

Global Equity Indices	Close	Change	High	Low
Hang Seng	17778.41	39	17864.1	17623.74
HSCEI	6306.8	9.31	6343.88	6242.32
Shanghai Comp Index	2977.13	14.278	2978.09	2937.905
Nikkei 225	40126.4	-971.34	40587.6	40104.22
KOSPI	2824.35	-18.94	2824.35	2799.02
S&P/ASX200	8036.52	-21.374	8070.4	8026.2
DJIA	40706.3	-491.82	41376	40597.5
S&P 500	5535.13	-53.14	5614.05	5522.81
NASDAQ	17867.4	-129.54	18130.9	17759.54
DAX	18354.8	-82.54	18536.3	18352.33
CAC	7586.55	0.21	7653.22	7559.1
FTSE100	8204.89	17.43	8267.78	8187.46

**Technical Analysis**

*Mini Hang Seng*

1st Resistance:	18076	2nd Resistance:	18343
1st Support:	17542	2nd Support:	17275
MACD:	-76.501		
MACD DIFF:	21.6881		
RSI:	47.4962		

*Mini Hang Seng China Enterprise*

1st Resistance:	6411	2nd Resistance:	6505
1st Support:	6221	2nd Support:	6127
MACD:	-26.278		
MACD DIFF:	0.883		
RSI:	45.9527		

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%	3.00%	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	--

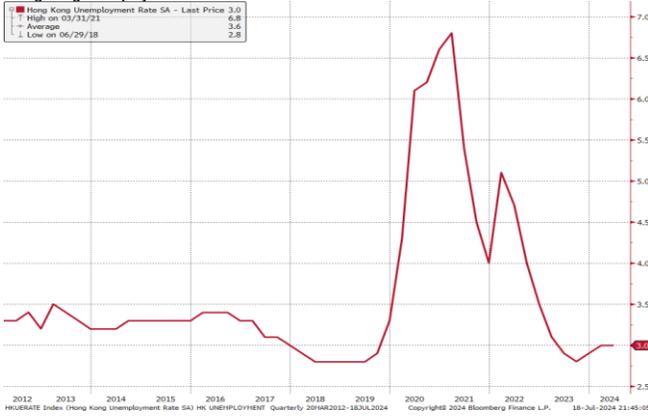
### Hong Kong GDP Y on Y



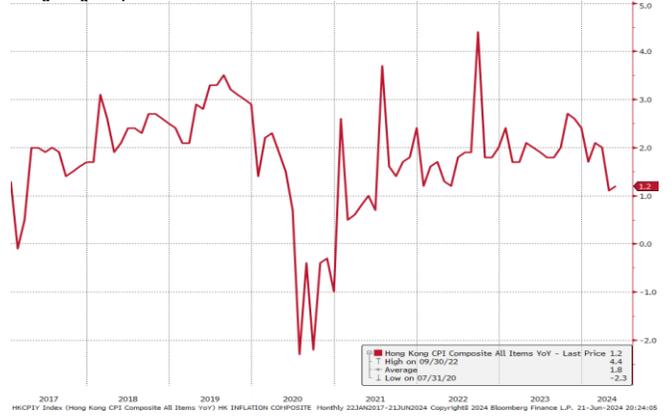
### Hong Kong Base Interest Rate



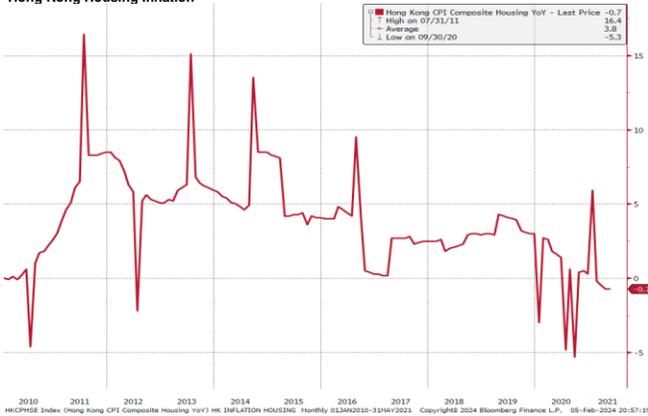
### Hong Kong Unemployment Rate



### Hong Kong Composite Inflation



### Hong Kong Housing Inflation



### Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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