

**Fundamentals:**

Hong Kong stocks were rocked by volatility on Friday with the benchmark teetering between positive and negative territory and nervous investors awaited more policy easing measures after the country's central bank unexpectedly cut key benchmark rates this week.

The Hang Seng Index added 0.1 per cent to 17,021.31 at the close after falling as much as 0.5 per cent and rising 1.3 per cent to an intra day high. Still, the benchmark posted a 2.3 per cent weekly loss, the second consecutive down week. The Hang Seng Tech Index gained 0.7 per cent, while the Shanghai Composite Index added 0.1 per cent.

E-commerce operator JD.com advanced 3 per cent to HK\$102.30 and electric-vehicle maker BYD added 0.7 per cent to HK\$235.80. Losers included China Unicom which sank 4.2 per cent to HK\$6.83 and online travel agency Trip.com Group which lost 2.2 per cent to HK\$340. Live-streaming commerce operator East Buy Holding tumbled 23 per cent to HK\$9.50 after its top influencer left the company to start his own business.

Investors now await a Politburo meeting, expected to be held later this month, for clues as to how President Xi Jinping will fix economic issues like a home sales slump and weak consumer spending.

"The economic fundamentals don't lend too much support to the market and the key is to watch how the policy will change and how it will be implemented," said Song Yiwei, an analyst at Bohai Securities in Tianjin. "If the key Politburo meeting delivers signals of stabilising growth, there's a chance that the market will continue to recover. Otherwise, trading and sentiment will be sluggish."

The yield on China's 10-year government bond dropped 2 basis points to 2.189 per cent to a record low on Friday, as haven trades gained traction after the central bank unexpectedly cut both the policy interest rate and a short-term interest rate this week.

"The rate cuts this week suggest continued support to achieve 5 per cent real GDP growth in 2024, leading another round of policy easing," Goldman Sachs said in a research note on Thursday. "We expect more policy easing to address concerns about weak domestic demand, especially on the fiscal and property fronts."

Volatility from overseas markets has also weighed on sentiment, as the VIX index, or the so-called fear gauge, rose to a three-month high overnight. Traders doubled down on bets the US Federal Reserve could cut interest rates in September, as data showed inflation pressures are subsiding despite a strong report on US economic growth.

Ugreen Group, which makes consume electronic products, surged 115 per cent from its initial public offering price to 45.55 yuan in Shenzhen on the first day of trading.

Other major Asian markets mostly rose. South Korea's Kospi and Australia's S&P/ASX 200 both gained 0.8 per cent, while Japan's Nikkei 225 slipped 0.5 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	-8	17022	17233	16930
H. SENG FUT AUG 24	-26	17031	17254	16950
H. SENG FUT SEP 24	-34	16986	17211	16919
H. SENG FUT DEC 24	-28	17139	17355	17069
MINI H. SENG FUT JUL 24	-8	17022	17234	16930
MINI H. SENG FUT AUG 24	-26	17031	17254	16950
MINI H. SENG FUT SEP 24	-34	16986	17218	16915
MINI H. SENG FUT DEC 24	-28	17139	17350	17069
HSCEI FUT JUL 24	-19	6010	6105	5978
HSCEI FUT AUG 24	-19	6026	6121	5992
HSCEI FUT SEP 24	-25	6009	6106	5986
HSCEI FUT DEC 24	-24	6068	6150	6040
MINI HSCEI FUT JUL 24	-19	6010	6105	5978
MINI HSCEI FUT AUG 24	-19	6026	6121	5994
MINI HSCEI FUT SEP 24	-25	6009	6105	5990
MINI HSCEI FUT DEC 24	-24	6068	6150	6047

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	51.7	0.85	52.15	50.6
**Tencent Holdings Ltd	354.4	3.2	358.4	352.4
*HSBC Holdings PLC	66.25	0.25	66.45	65.8
**China Construction Bank Corp	5.39	-0.03	5.5	5.36
**Ping An Insurance Group	33.4	0	34.15	33.2
**Meituan	107.6	0.5	108.7	105.1
*Hong Kong Exchanges & Clearing Ltd	229	-1	231.8	227.6
**Alibaba Group Holdings Ltd	73.1	-0.2	73.9	72.8
**Xiaomi Corp	16.36	0.16	16.62	16.32
**ICBC	4.31	-0.03	4.41	4.27

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	10.56	-0.1	10.84	10.5
**China Mobile Ltd	72.75	-2	74.95	72
**Bank of China Ltd	3.38	-0.03	3.46	3.37
*Techtronic Industries Co Ltd	93.9	0.5	95	93.3
*CK Hutchison Holdings Ltd	40.45	0.4	40.9	40.1
*Link REIT	32.5	0	32.6	32.1
*CLP Holding Ltd	65.85	-0.1	66.5	65.7
**Geely Automobile Holdings Ltd	7.84	0.05	8.04	7.83
**CNOOC Ltd	19.9	0.1	20.5	19.74
**ANTA Sports Products Ltd	69.7	0.3	70.55	68.85

Global Equity Indices	Close	Change	High	Low
Hang Seng	17021.31	16.34	17229.2	16924.58
HSCEI	6010.64	-5.87	6102.63	5970.04
Shanghai Comp Index	2890.9	4.155	2899.12	2875.396
Nikkei 225	37667.4	-202.1	38106	37611.19
KOSPI	2731.9	21.25	2738.4	2715.75
S&P/ASX200	7921.27	60.058	7938.3	7861.2
DJIA	40587.3	652.19	40753.8	40140.86
S&P 500	5453.69	54.47	5488.32	5430.7
NASDAQ	17325.7	143.94	17454.6	17239.99
DAX	18417.6	118.83	18428.9	18218.54
CAC	7517.68	1.22	7526.27	7427.47
FTSE100	8285.71	99.36	8290.33	8181.23

**Technical Analysis**

**Mini Hang Seng**

1st Resistance: 17277                      2nd Resistance: 17533  
 1st Support: 16767                        2nd Support: 16511  
 MACD: -209.303  
 MACD DIFF: -67.8949  
 RSI: 35.7172

**Mini Hang Seng China Enterprise**

1st Resistance: 6100                        2nd Resistance: 6190  
 1st Support: 5920                         2nd Support: 5830  
 MACD: -84.864  
 MACD DIFF: -31.140  
 RSI: 34.5707

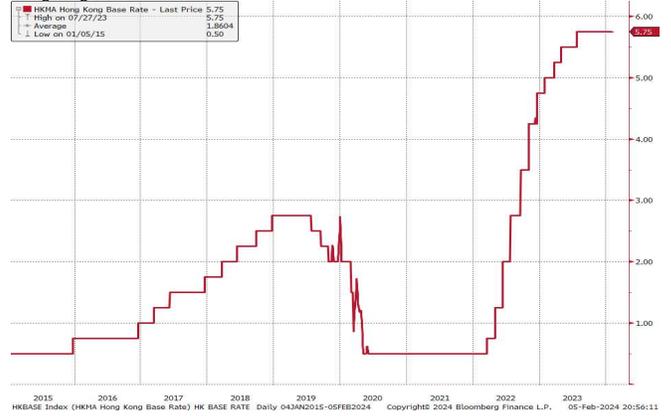
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
07/04/2024 08:30	S&P Global Hong Kong PMI	Jun	--	48.2	49.2	--
07/18/2024 16:30	Unemployment Rate SA	Jun	3.00%	3.00%	3.00%	--
07/22/2024 16:30	CPI Composite YoY	Jun	1.20%	1.50%	1.20%	--
07/31/2024 16:30	GDP SA QoQ	2Q A	--	--	2.30%	--
07/31/2024 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	--

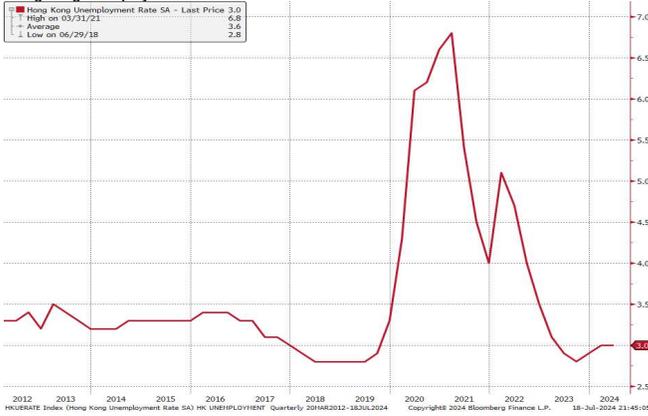
### Hong Kong GDP Y on Y



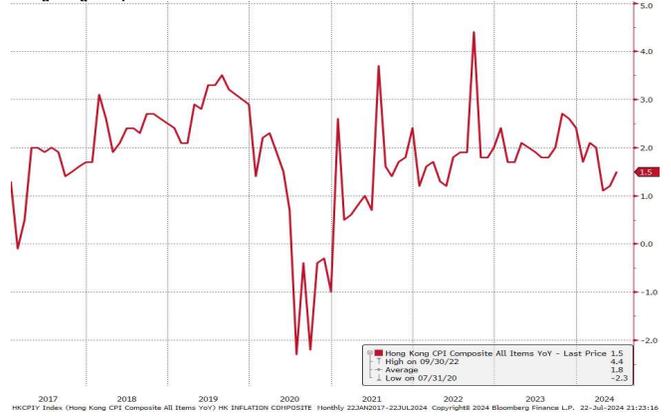
### Hong Kong Base Interest Rate



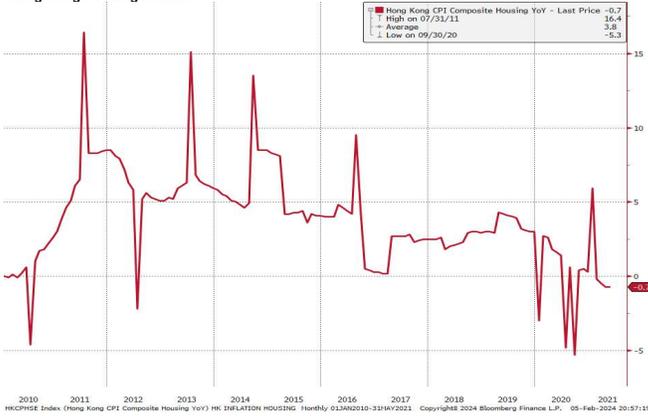
### Hong Kong Unemployment Rate



### 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

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