

Fundamentals:

Hong Kong stocks tumbled to a three month-low as investors fretted over the lack of forceful stimulative measures from China's Politburo meeting. Local developers tumbled, with Hang Lung Properties crashing to a 24-year low after it reported its income halved amid a property downturn.

The Hang Seng Index lost 1.4 per cent to 17,002.91 at the close of trade on Tuesday. The Tech Index tumbled 1.5 per cent, while the Shanghai Composite Index declined 0.4 per cent to a six-month low.

All but five of the 83 index members declined. Tencent tumbled 1.9 per cent to HK\$351.40, leading decliners among tech heavyweights. EV giant BYD lost 3 per cent to HK\$224.40 after it slashed prices for a premium model as the price war showed no signs of cooling.

Losses deepened during the afternoon trading session, after the readout from Politburo meeting revealed little policy support following the Third Plenum letdown.

Beijing will step up macro policies and stabilise market confidence to ensure it achieves leaderships' full-year economic growth goal, as the economy faces "increasing negative influence" from the outside world and insufficient demand at home, according to the readout released on Tuesday.

"There's nothing new from the readout, just repeating the Third Plenum rhetoric," said Jason Chan, senior investment strategist at Bank of East Asia. "We do not see any specific measures that investors are looking for. The market could come under bigger pressure if economic data due this week disappoints again."

Adding to losses, local developer Hang Lung Properties dived 11.7 per cent to HK\$5.64, the lowest level since 2000, after it reported a 56 per cent profit plunge in the first half amid prolonged property downturn. Peer Sun Hong Kai Properties tumbled 4 per cent to HK\$67.10 and New World Developments slid 4.1 per cent to HK\$7.01.

A key data release due this week is now expected to point to further shrinkage in China's manufacturing activity. The PMI manufacturing index on Wednesday is expected to fall to 49.4 in June from 49.5 in May, according to a Bloomberg survey of economists.

The city's benchmark index is now heading for a second consecutive monthly loss as investors are dismayed by China's tepid policy response to underwhelming economic fundamentals. That has erased all the year-to-date gains and pushed the local market to the ranks of among the worst performing major global markets.

Limiting losses, Standard Chartered recovered from the day's lows and gained 4.9 per cent to HK\$76.90 after it announced a US\$1.5 billion share buy-back plan, the lender's biggest ever purchase programme for its own shares.

Elsewhere, biotech firm Wuxi Aptec said net profit dropped 20 per cent to 4.2 billion yuan amid rising US-China rivalry. Its shares jumped 4.2 per cent to HK\$29.95 while group company Wuxi Biologics lost 0.4 per cent to HK\$3.02.

Other key Asian markets were mixed. Japan's Nikkei 225 added 0.2 per cent, Australia's S&P/ASX 200 declined 0.5 per cent and South Korea's Kospi declined by 1 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	-225	17028	17272	17006
H. SENG FUT AUG 24	-241	17021	17283	16981
H. SENG FUT SEP 24	-244	16978	17237	16938
H. SENG FUT DEC 24	-244	17121	17369	17091
MINI H. SENG FUT JUL 24	-225	17028	17274	17007
MINI H. SENG FUT AUG 24	-241	17021	17282	16981
MINI H. SENG FUT SEP 24	-244	16978	17248	16938
MINI H. SENG FUT DEC 24	-244	17121	17363	17090
HSCEI FUT JUL 24	-95	5993	6095	5986
HSCEI FUT AUG 24	-97	6002	6106	5984
HSCEI FUT SEP 24	-98	5987	6075	5969
HSCEI FUT DEC 24	-99	6046	6126	6035
MINI HSCEI FUT JUL 24	-95	5993	6095	5988
MINI HSCEI FUT AUG 24	-97	6002	6106	5984
MINI HSCEI FUT SEP 24	-98	5987	6080	5970
MINI HSCEI FUT DEC 24	-99	6046	6090	6030

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	52.65	0.15	52.9	52
**Tencent Holdings Ltd	353.6	-4.6	357.6	352.4
*HSBC Holdings PLC	66.85	-0.45	67.1	66.1
**China Construction Bank Corp	5.43	-0.03	5.45	5.37
**Ping An Insurance Group	33.3	-0.4	33.75	33.15
**Meituan	106.4	-2	108.6	105.8
*Hong Kong Exchanges & Clearing Ltd	227.6	-3.4	231.8	227.2
**Alibaba Group Holdings Ltd	76.2	-0.35	76.95	75.6
**Xiaomi Corp	16.32	-0.5	16.8	16.22
*ICBC	4.32	-0.06	4.38	4.3

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	10.5	-0.06	11.04	10.42
**China Mobile Ltd	72.55	-0.65	73.35	72.2
**Bank of China Ltd	3.44	0	3.45	3.38
*Techtronic Industries Co Ltd	95.8	-1.6	97.45	95.35
*CK Hutchison Holdings Ltd	40.8	-0.65	41.6	40.65
*Link REIT	32.75	-0.3	33.35	32.55
*CLP Holding Ltd	66.6	-0.25	67.2	66.4
**Geely Automobile Holdings Ltd	7.81	-0.08	7.91	7.77
**CNOOC Ltd	19.92	-0.68	20.4	19.74
**ANTA Sports Products Ltd	67.7	-2.05	69.45	67.35

Global Equity Indices	Close	Change	High	Low
Hang Seng	17002.91	-235.43	17194.4	16971.6
HSCEI	5986.69	-93.87	6065.35	5970.8
Shanghai Comp Index	2879.3	-12.545	2885.22	2865.149
Nikkei 225	38526	57.32	38531.2	38076.7
KOSPI	2738.19	-27.34	2754.53	2732.82
S&P/ASX200	7953.18	-36.463	7989.6	7894.3
DJIA	40684.7	144.72	40780.4	40529.1
S&P 500	5425.98	-37.56	5489.46	5401.7
NASDAQ	17138.5	-231.74	17468.6	17015.38
DAX	18411.2	90.51	18469.1	18341.42
CAC	7474.94	0.42	7501.56	7450.93
FTSE100	8274.41	-17.94	8297.92	8235.55

Technical Analysis

Mini Hang Seng

1st Resistance: 17283 2nd Resistance: 17539
 1st Support: 16773 2nd Support: 16517
 MACD: -229.894
 MACD DIFF: -59.4712
 RSI: 37.8874

Mini Hang Seng China Enterprise

1st Resistance: 6083 2nd Resistance: 6173
 1st Support: 5903 2nd Support: 5813
 MACD: -96.835
 MACD DIFF: -29.022
 RSI: 35.9971

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



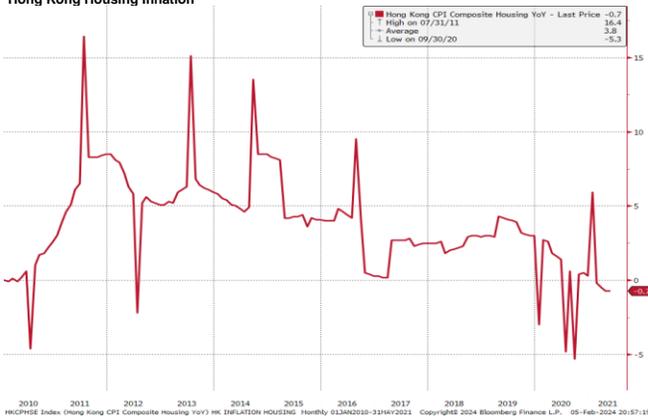
Hong Kong Unemployment Rate



Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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