

Fundamentals:

Hong Kong stocks weakened for a second day, left out of a broader Asian rally, after a mixed bag of economic data for mainland China reinforced growth concerns. The Fed rate-cut outlook and bets that Beijing will roll out more stimulus measures helped limit the downside.

The Hang Seng Index declined less than 0.1 per cent to 17,109.14 at the close after losing as much as 1.1 per cent, and gaining as much as 0.4 per cent, earlier in the session. The Tech Index declined 0.3 per cent, while the Shanghai Composite Index rallied 0.9 per cent to claw out from a sixth-month low.

Tencent lost 1.4 per cent to HK\$368.40. E-commerce firm Alibaba Group Holding weakened 2.4 per cent to HK\$76.40, and peer JD.com lost 1.4 per cent to HK\$99.35 ahead of earnings cards due later today.

Limiting losses, NetEase jumped 3.9 per cent to HK\$138.90 after peer Tencent reported strong gaming growth. Industrial and Commercial Bank of China rallied 2.2 per cent to HK\$4.58 and China Merchants Bank jumped 2.2 per cent to HK\$33.05, leading gains among mainland lenders.

Fresh housing data released on Thursday showed the property downturn has not yet turned the corner. New home prices declined 0.7 per cent in July, the 14th month of decline, although the rate of the drop slowed compared with the previous month.

Retail sales rebounded slightly to register 2.7 per cent growth last month, following a sharp decline to 2 per cent in June from 3.7 per cent in May. Industrial production grew 5.1 per cent during the same period, compared with the 5.3 per cent growth in June.

"We do not see concrete signs of economic recovery yet," said Jason Chan, senior investment strategist at Bank of East Asia. The Hong Kong market is likely to stay volatile and stuck in a narrow trading range in the short term as investors lack conviction, he added.

Still, the retail sales figures and property market data are pointing to growing domestic demand, according to Patrick Pan, a strategist at Daiwa Capital Markets in Hong Kong.

"We see no need to worry too much about a broad-based economic slowdown," he said. The still weak fundamentals are prompting traders to bolster bets on more stimulus from Beijing, while US inflation data helped lift sentiment in anticipation of the Fed's potential easing next month, he added.

Elsewhere, more listed companies are considering selling shares in overseas markets to attract investors and improve liquidity amid a sluggish local market. Samsonite plans a second listing in the US, and CK Infrastructure Holdings, part of tycoon Li Ka-shing's empire, has received approval for a secondary listing in London.

Other Asian markets were mostly higher after the US inflation data. Australia's S&P/ASX 200 Index climbed 0.2 per cent, Japan's Nikkei 225 added and South Korea's Kospi Index both added 0.9 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 AUG 24	-1	17128	17318	16920
H. SENG FUT SEP 24	-5	17057	17246	16888
H. SENG FUT DEC 24	1	17190	17290	17046
H. SENG FUT MAR 25	0	17223	17325	17062
MINI H. SENG FUT AUG 24	-1	17128	17318	16919
MINI H. SENG FUT SEP 24	-5	17057	17246	16860
MINI H. SENG FUT DEC 24	1	17190	17372	16988
MINI H. SENG FUT MAR 25	0	17223	17388	17044
HSCEI FUT AUG 24	8	6039	6112	5957
HSCEI FUT SEP 24	5	6013	6080	5935
HSCEI FUT DEC 24	8	6069	6135	5994
HSCEI FUT MAR 25	8	6098	6136	6082
MINI HSCEI FUT AUG 24	8	6039	6112	5958
MINI HSCEI FUT SEP 24	5	6013	6080	5942
MINI HSCEI FUT DEC 24	8	6069	6132	6002
MINI HSCEI FUT MAR 25	8	6098	6152	6033

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	51.55	-0.2	52.65	51.2
**Tencent Holdings Ltd	368.4	-5.4	374.8	364.2
*HSBC Holdings PLC	64.6	0.52924	64.8	63.85
**China Construction Bank Corp	5.58	0.07	5.59	5.45
**Ping An Insurance Group	33.8	0.15	34.5	33.2
**Meituan	102.4	0.3	104.4	100.1
*Hong Kong Exchanges & Clearing Ltd	227.4	-0.8	231.2	225.4
**Alibaba Group Holdings Ltd	76.4	-1.9	77.95	75.5
**Xiaomi Corp	17.22	0.36	17.3	16.6
*ICBC	4.58	0.09	4.59	4.43

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	11.3	0.08	11.38	11.08
**China Mobile Ltd	73.95	1	74.35	72.9
**Bank of China Ltd	3.44	0.03	3.46	3.37
*Techtronic Industries Co Ltd	99.6	2.05	99.8	96.5
*CK Hutchison Holdings Ltd	40.85	-0.45	41.45	40.7
*Link REIT	35.05	0.05	35.15	34.55
*CLP Holding Ltd	70.1	-0.2	70.55	69.45
**Geely Automobile Holdings Ltd	7.7	0.03	7.81	7.57
**CNOOC Ltd	19.92	-0.06	20.15	19.84
**ANTA Sports Products Ltd	65.9	-1.55	67.55	65.55

Global Equity Indices	Close	Change	High	Low
Hang Seng	17109.14	-4.22	17283.7	16926.47
HSCEI	6035.27	10.11	6100.03	5956.91
Shanghai Comp Index	2877.36	26.704	2889.09	2839.387
Nikkei 225	36726.6	284.21	36885.2	36381.4
KOSPI	0	0	0	0
S&P/ASX200	7865.52	14.818	7898.7	7846.6
DJIA	40559.5	551.09	40590.5	40295.74
S&P 500	5545.37	90.16	5545.37	5501.13
NASDAQ	17581.4	388.79	17602.7	17375.41
DAX	18183.2	297.64	18198.1	17909.74
CAC	7423.37	1.23	7437.34	7318.14
FTSE100	8347.35	66.3	8366.98	8277.08

Technical Analysis

Mini Hang Seng

1st Resistance: 17385 2nd Resistance: 17642
 1st Support: 16871 2nd Support: 16614
 MACD: -170.331
 MACD DIFF: 42.9328
 RSI: 46.1284

Mini Hang Seng China Enterprise

1st Resistance: 6130 2nd Resistance: 6220
 1st Support: 5948 2nd Support: 5858
 MACD: -74.271
 MACD DIFF: 16.338
 RSI: 45.2068

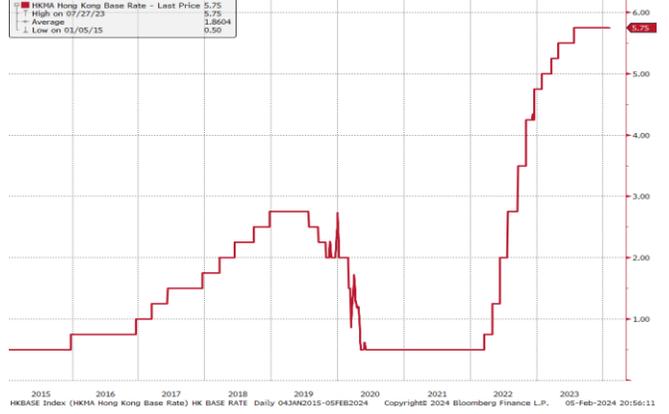
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
07/31/2024 16:30	GDP SA QoQ	2Q A	0.30%	0.40%	2.30%	2.50%
07/31/2024 16:30	GDP YoY	2Q A	2.70%	3.30%	2.70%	2.80%
07/31/2024 16:30	Money Supply M1 HKD YoY	Jun	--	-5.90%	-8.40%	--
07/31/2024 16:30	Money Supply M2 HKD YoY	Jun	--	1.50%	1.50%	--
07/31/2024 16:30	Money Supply M3 HKD YoY	Jun	--	1.50%	1.50%	--
08/01/2024 16:30	Retail Sales Volume YoY	Jun	-12.70%	-11.20%	-12.90%	-12.70%
08/01/2024 16:30	Retail Sales Value YoY	Jun	-11.80%	-9.70%	-11.50%	-11.40%
08/05/2024 08:30	S&P Global Hong Kong PMI	Jul	--	49.5	48.2	--
08/16/2024 16:30	GDP SA QoQ	2Q F	--	--	0.40%	--
08/16/2024 16:30	GDP YoY	2Q F	--	--	3.30%	--
08/16/2024 16:30	Unemployment Rate SA	Jul	--	--	3.00%	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
07/31/2024 09:30	Composite PMI	Jul	--	50.2	50.5	--
07/31/2024 09:30	Manufacturing PMI	Jul	49.4	49.4	49.5	--
07/31/2024 09:30	Non-manufacturing PMI	Jul	50.3	50.2	50.5	--
08/01/2024 09:45	Caixin China PMI Mfg	Jul	51.5	49.8	51.8	--
08/05/2024 09:45	Caixin China PMI Composite	Jul	--	51.2	52.8	--
08/05/2024 09:45	Caixin China PMI Services	Jul	51.5	52.1	51.2	--
08/09/2024 09:30	PPI YoY	Jul	-0.90%	-0.80%	-0.80%	--
08/09/2024 09:30	CPI YoY	Jul	0.30%	0.50%	0.20%	--
08/09/2024 08/15	Money Supply M2 YoY	Jul	6.00%	6.30%	6.20%	--
08/09/2024 08/15	Money Supply M1 YoY	Jul	-5.30%	-6.60%	-5.00%	--
08/09/2024 08/15	Money Supply M0 YoY	Jul	--	12.00%	11.70%	--
08/11/2024 08/18	FDI YTD YoY CNY	Jul	--	--	-29.10%	--
08/15/2024 10:00	Retail Sales YoY	Jul	2.60%	2.70%	2.00%	--
08/15/2024 10:00	Retail Sales YTD YoY	Jul	3.50%	3.50%	3.70%	--

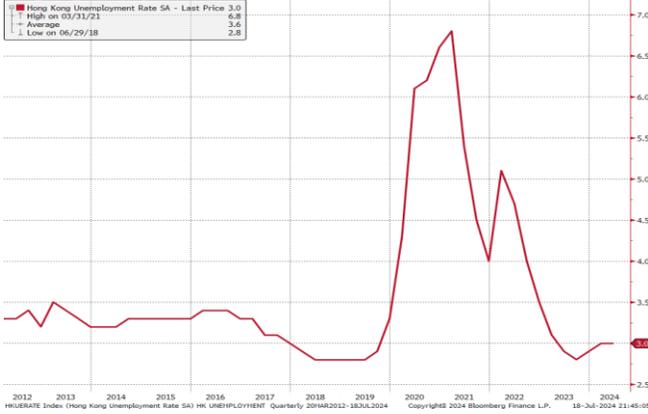
Hong Kong GDP Y on Y



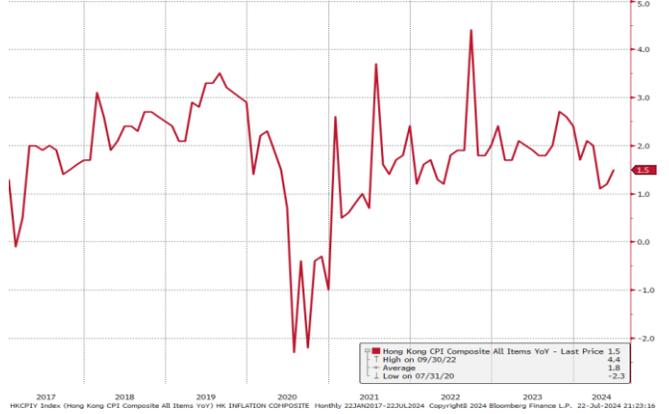
Hong Kong Base Interest Rate



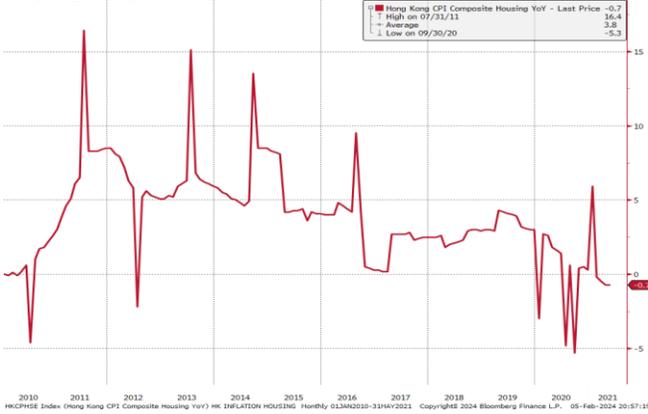
Hong Kong Unemployment Rate



Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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