

**Fundamentals:**

Hong Kong stocks fell on Tuesday along with daily turnover, as investors await developments on the US interest rate front after China left its key lending rates unchanged.

The Hang Seng Index closed 0.3 per cent lower at 17,511.08, reversing a 0.8 per cent advance on Monday. The Tech Index fell 0.5 per cent, while the Shanghai Composite Index dropped 0.9 per cent

Personal hygiene products maker Hengan International tumbled 6.5 per cent to HK\$23.90, while China Resources Beer shed 5.6 per cent to HK\$22.65 after their earnings trailed analysts' projections. Jefferies cut the brewing company's price target to HK\$37.38 from HK\$42.

Some tech giants also gave up some of their gains from the previous session. Alibaba fell 1.3 per cent to HK\$80.40 and Tencent declined 0.6 per cent to HK\$370.40.

Home appliance maker Haier Smart Home declined 3.0 per cent to HK\$22.75, JD Health dropped 4.8 per cent to HK\$22.05 and personal computer manufacturer Lenovo Group down 2.3 per cent to HK\$9.43.

The market is lacking direction because investors are looking for clues about the Federal Reserve's rate cut from the Jackson Hole meeting, said Kenny Wen, head of investment strategy at KGI Asia. "Without new catalysts, the Hang Seng Index faces resistance, while some investors are choosing to lock in profit," he added.

The daily average turnover in Hong Kong has fallen 10 per cent to HK\$91.4 billion (US\$11.7 billion) this month, compared with the one-year average, reflecting investors' wait-and-see approach. Monday's turnover stood at HK\$74.5 billion, dropping for the second straight day.

The People's Bank of China on Tuesday left untouched the one-year loan prime rate (LPR), which is used to price most new and outstanding loans, at 3.35 per cent. The five-year LPR, a benchmark for mortgages, was also maintained at 3.85 per cent.

The move was widely expected after the rate cut last month. Analysts expect another cut in the fourth quarter and next year, as well as a further relaxation in the required reserve ratio (RRR) to prop up the economy.

"Our current forecast is looking for one further rate cut in 2024 and two more cuts in 2025," ING analysts said in a note on Tuesday. "We could soon see further reductions to the RRR as well, but expect those cuts to bring diminishing returns, as right now it appears to be an issue of lacklustre borrowing demand rather than limited funds for banks to lend."

Electric vehicle maker Li Auto rose 1 per cent to HK\$81.45, while rival BY added 1.5 per cent to HK\$224.80.

Biopharmaceutical start-up TYK Medicines jumped 13.2 per cent to HK\$13.70 from its offer price of HK\$12.10 on its trading debut.

Other major Asian markets were broadly higher. Japan's Nikkei 225 added 1.8 per cent and South Korea's KOSPI advanced 0.8 per cent, while Australia's S&P/ASX 200 rose 0.2 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	-75	17533	17775	17464
H. SENG FUT SEP 24	-79	17459	17700	17399
H. SENG FUT DEC 24	-80	17596	17808	17563
H. SENG FUT MAR 25	-82	17637	17800	17700
MINI H. SENG FUT AUG 24	-75	17533	17774	17464
MINI H. SENG FUT SEP 24	-79	17459	17706	17389
MINI H. SENG FUT DEC 24	-80	17596	17849	17527
MINI H. SENG FUT MAR 25	-82	17637	17866	17573
HSCEI FUT AUG 24	-31	6207	6300	6179
HSCEI FUT SEP 24	-32	6180	6272	6152
HSCEI FUT DEC 24	-33	6236	6312	6216
HSCEI FUT MAR 25	-32	6270	6347	6250
MINI HSCEI FUT AUG 24	-31	6207	6299	6179
MINI HSCEI FUT SEP 24	-32	6180	6274	6159
MINI HSCEI FUT DEC 24	-33	6236	6330	6215
MINI HSCEI FUT MAR 25	-32	6270	6348	6250

Major HSI Constituent Stocks	Close	Change	High	Low
*Alia Group Ltd	52.1	0.15	52.45	51.8
**Tencent Holdings Ltd	370.4	-2.2	373.8	369
*HSBC Holdings PLC	66.7	0.45	67.1	66.6
**China Construction Bank Corp	5.7	0.02	5.74	5.65
**Ping An Insurance Group	34.4	-0.15	34.9	34.2
**Meituan	108.1	-0.6	110.2	107.5
*Hong Kong Exchanges & Clearing Ltd	232	-0.6	234.4	230.8
**Alibaba Group Holdings Ltd	80.4	-1.05	81.75	79.95
**Xiaomi Corp	17.68	0.06	17.96	17.28
**ICBC	4.7	0	4.73	4.66

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	11.7	-0.22	11.94	11.54
**China Mobile Ltd	74.1	-0.3	74.9	73.9
**Bank of China Ltd	3.58	0.03	3.58	3.54
*Techtronic Industries Co Ltd	103.3	-0.1	103.8	102.6
*CK Hutchison Holdings Ltd	41.25	0.1	42.05	40.9
*Link REIT	34.8	-0.05	35.15	34.45
*CLP Holding Ltd	68.8	-0.15	69.2	68.5
**Geely Automobile Holdings Ltd	7.87	-0.02	7.98	7.79
**CNOOC Ltd	20.15	-0.4	20.5	19.98
**ANTA Sports Products Ltd	67.25	-0.7	69.35	66.8

Global Equity Indices	Close	Change	High	Low
Hang Seng	17511.08	-58.49	17661.7	17449.99
HSCEI	6195.58	-30.28	6261.07	6171
Shanghai Comp Index	2866.66	-27.013	2896.52	2855.329
Nikkei 225	38062.9	674.3	38236.4	37738.3
KOSPI	2696.63	22.27	2706.05	2686.06
S&P/ASX200	7997.73	17.285	8025.2	7980.4
DJIA	40809.2	-87.33	40909.4	40756.65
S&P 500	5598.82	-9.43	5620.51	5585.5
NASDAQ	17836.6	-40.15	17932.5	17758.2
DAX	18357.5	-64.17	18495.3	18349.98
CAC	7485.73	-0.22	7531.7	7481.67
FTSE100	8273.32	-83.62	8356.94	8270.69

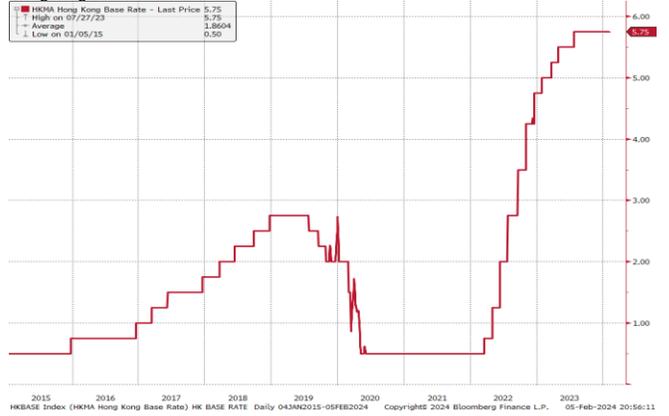
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
08/01/2024 16:30	Retail Sales Volume YoY	Jun	-12.70%	-11.20%	-12.90%	-12.70%
08/01/2024 16:30	Retail Sales Value YoY	Jun	-11.80%	-9.70%	-11.50%	-11.40%
08/05/2024 08:30	S&P Global Hong Kong PMI	Jul	--	49.5	48.2	--
08/16/2024 16:30	GDP SA QoQ	2Q F	0.40%	0.40%	0.40%	--
08/16/2024 16:30	GDP YoY	2Q F	3.30%	3.30%	3.30%	--
08/16/2024 16:30	Unemployment Rate SA	Jul	3.00%	3.00%	3.00%	--
08/20/2024 16:30	CPI Composite YoY	Jul	1.60%	2.50%	1.50%	--
08/30/2024 16:30	Retail Sales Volume YoY	Jul	--	--	-11.20%	--
08/30/2024 16:30	Retail Sales Value YoY	Jul	--	--	-9.70%	--
08/30/2024 16:30	Money Supply M1 HKD YoY	Jul	--	--	-5.90%	--
08/30/2024 16:30	Money Supply M2 HKD YoY	Jul	--	--	1.50%	--
08/30/2024 16:30	Money Supply M3 HKD YoY	Jul	--	--	1.50%	--
09/04/2024 08:30	S&P Global Hong Kong PMI	Aug	--	--	49.5	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
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	--	-29.60%	-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%	--
08/31/2024 09:30	Composite PMI	Aug	--	--	50.2	--
08/31/2024 09:30	Manufacturing PMI	Aug	--	--	49.4	--
08/31/2024 09:30	Non-manufacturing PMI	Aug	--	--	50.2	--
09/02/2024 09:45	Caixin China PMI Mfg	Aug	--	--	49.8	--
09/04/2024 09:45	Caixin China PMI Composite	Aug	--	--	51.2	--
09/04/2024 09:45	Caixin China PMI Services	Aug	--	--	52.1	--

### Hong Kong GDP Y on Y



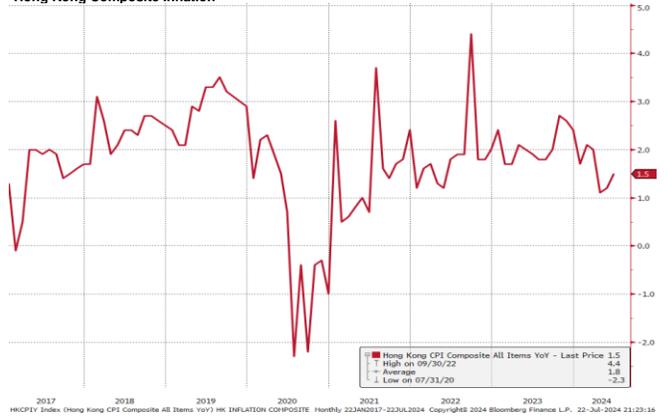
### Hong Kong Base Interest Rate



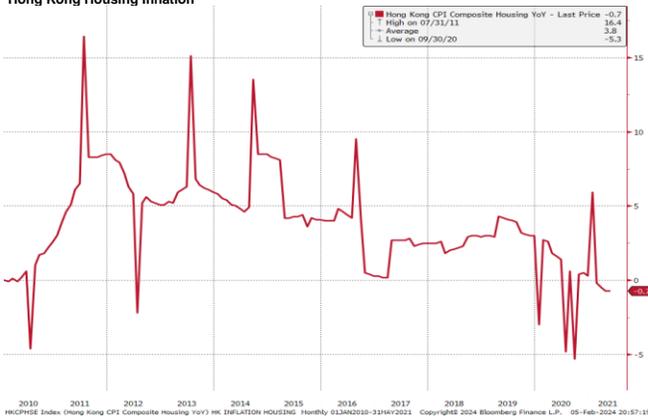
### Hong Kong Unemployment Rate



### Hong Kong Composite Inflation



### Hong Kong Housing Inflation



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



(Source: Bloomberg)

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