

Fundamentals:

Hong Kong stocks traded close to the highest in two months after China's central bank cut a short-term policy rate, bolstering the argument that lower interest rates in the US will leave Beijing more room for policy easing.

The Hang Seng Index slipped 0.1 per cent to 18,247.11 at the close, erasing a gain of as much as 0.9 per cent. The benchmark, which finished at its highest since July 12 on Friday, snapped a six-day, 6.7 per cent rally. The Hang Seng Tech Index retreated 0.2 per cent, and the Shanghai Composite Index added 0.4 per cent.

Among the top decliners, biotech firm Wuxi AppTec slid 3.5 per cent to HK\$41 and its affiliate Wuxi Biologics lost 2.4 per cent to HK\$13.06. Meituan fell 2.3 per cent to HK\$132.80. Tempering losses, smartphone maker Xiaomi advanced 4.4 per cent to HK\$20.75 after CEO Lei Jun unveiled the release data for a new product line-up. China Resources Power gained 3.5 per cent to HK\$19.88 and Alibaba Group Holding rose 0.6 per cent to HK\$87.70.

The People's Bank of China on Monday lowered the 14-day reverse repurchase rate to 1.85 per cent from 1.95 per cent. It also injected 74.5 billion yuan (US\$10.6 billion) of liquidity into the financial system via the tool, it said in a statement.

"The rate cuts provide good support to emerging markets," said Gary Dugan, CEO of The Global CIO Office. "We expect other central banks to follow. Hence, the more immediate investment opportunity for portfolio leverage to lower rates is probably in the Asian markets, where investors can see several interest rate cuts coming through in the months ahead."

The Hang Seng Index rose 5.1 per cent last week, logging its best weekly performance in almost five months, after a 50-basis-point rate cut by the Fed raised optimism that emerging markets will position for capital inflows. The policy easing in the US also gives China more room for further loosening its policy to bolster growth while not triggering capital flight or weakening its currency.

Investors will also focus on a joint press conference by China's top financial regulators tomorrow. Pan Gongsheng, governor of the central bank, Wu Qing, chairman of the China Securities Regulatory Commission, and Li Yunze, chief of the National Financial Regulatory Administration, will speak on financial support for high-quality economic growth, according to the information office of the State Council.

In mainland trading, liquor giant Kweichow Moutai dropped 0.2 per cent to 1,261.54 yuan, reversing a gain of as much as 2.3 per cent spurred by a plan to spend as much as 6 billion yuan buying back its shares. Its share price dropped to the lowest level in more than four years last week.

Other major Asian markets were mixed. South Korea's Kospi rose 0.3 per cent, and Australia's S&P/ASX 200 lost 0.7 per cent. Japan's market is closed for a public holiday.

(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 SEP 24	-15	18268	18450	18166
H. SENG FUT OCT 24	-6	18340	18521	18237
H. SENG FUT DEC 24	3	18422	18584	18338
H. SENG FUT MAR 25	5	18431	18585	18340
MINI H. SENG FUT SEP 24	-15	18268	18449	18166
MINI H. SENG FUT OCT 24	-6	18340	18520	18235
MINI H. SENG FUT DEC 24	3	18422	18588	18306
MINI H. SENG FUT MAR 25	5	18431	18600	18320
HSCEI FUT SEP 24	4	6392	6460	6347
HSCEI FUT OCT 24	6	6418	6485	6372
HSCEI FUT DEC 24	6	6454	6513	6424
HSCEI FUT MAR 25	9	6478	6538	6444
MINI HSCEI FUT SEP 24	4	6392	6459	6346
MINI HSCEI FUT OCT 24	6	6418	6485	6372
MINI HSCEI FUT DEC 24	6	6454	6520	6411
MINI HSCEI FUT MAR 25	9	6478	6529	6435

Major HSI Constituent Stocks	Close	Change	High	Low
*Alia Group Ltd	58.1	-0.15	58.9	57.9
**Tencent Holdings Ltd	387.6	-1	392	385.2
**HSBC Holdings PLC	68.95	0	69.45	68.6
**China Construction Bank Corp	5.66	0.08	5.67	5.59
**Ping An Insurance Group	37.65	0	38.2	37.5
**Meituan	132.8	-3.1	138.3	131.3
*Hong Kong Exchanges & Clearing Ltd	241	-0.6	244.8	240
**Alibaba Group Holdings Ltd	86.75	-0.45	88.7	86.55
**Xiaomi Corp	20.55	0.67	20.8	19.84
**ICBC	4.44	0.05	4.48	4.39

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	12.7	-0.68	13.8	12.62
**China Mobile Ltd	72.05	-0.05	72.65	72
**Bank of China Ltd	3.55	0.05	3.56	3.5
*Techtronic Industries Co Ltd	114.3	-2.5	115.5	113
*CK Hutchison Holdings Ltd	43.75	-0.25	44.2	43.65
*Link REIT	39	-0.3	39.35	38.85
*CLP Holding Ltd	71.25	-0.15	71.7	70.85
**Geely Automobile Holdings Ltd	10.18	0.21	10.42	9.92
**CNOOC Ltd	18.98	0.08	19.28	18.9
**ANTA Sports Products Ltd	73.5	-1.1	76.35	73.15

Global Equity Indices	Close	Change	High	Low
Hang Seng	18247.11	-11.46	18426.92	18212.58
HSCEI	6389.08	7.58	6453.53	6374.47
Shanghai Comp Index	2748.92	12.104	2760.48	2731.357
Nikkei 225	0	0	0	0
KOSPI	2602.01	8.64	2603.57	2588.49
S&P/ASX200	8152.95	-56.517	8209.5	8131.5
DJIA	42122.1	58.77	42190.05	42012.22
S&P 500	5716.91	14.36	5725.36	5704.22
NASDAQ	17979.8	31.46	18021.57	17936.37
DAX	18846.8	126.78	18857.37	18684.34
CAC	7508.08	0.1	7518.77	7456.44
FTSE100	8259.71	29.72	8262.53	8210.07

Technical Analysis

Mini Hang Seng

1st Resistance: 18542 2nd Resistance: 18816
 1st Support: 17994 2nd Support: 17720
 MACD: 150.335
 MACD DIFF: 98.4962
 RSI: 67.6088

Mini Hang Seng China Enterprise

1st Resistance: 6488 2nd Resistance: 6584
 1st Support: 6296 2nd Support: 6200
 MACD: 38.219
 MACD DIFF: 36.533
 RSI: 65.6528

Hong Kong Economic Releases	Period	Survey	Actual	Prior	Revised	
09/04/2024 08:30	S&P Global Hong Kong PMI	Aug	--	49.4	49.5	--
09/12/2024 16:30	PPI YoY	2Q	--	3.00%	1.20%	--
09/19/2024 16:30	Unemployment Rate SA	Aug	3.00%	3.00%	3.00%	--
09/20/2024 16:30	BoP Current Account Balance	2Q	--	-\$101.04b	\$100.96b	\$98.08b
09/20/2024 16:30	BoP Overall	2Q	--	-\$62.67b	-\$35.51b	--
09/20/2024 16:30	CPI Composite YoY	Aug	2.60%	2.50%	2.50%	--
09/30/2024 16:30	Money Supply M1 HKD YoY	Aug	--	--	-3.00%	--
09/30/2024 16:30	Money Supply M2 HKD YoY	Aug	--	--	2.00%	--
09/30/2024 16:30	Money Supply M3 HKD YoY	Aug	--	--	2.00%	--

China Economic Releases	Period	Survey	Actual	Prior	Revised	
09/09/2024 09:30	PPI YoY	Aug	-1.40%	-1.80%	-0.80%	--
09/09/2024 09:30	CPI YoY	Aug	0.70%	0.60%	0.50%	--
09/09/2024 09:15	Money Supply M2 YoY	Aug	6.20%	6.30%	6.30%	--
09/09/2024 09:15	Money Supply M1 YoY	Aug	-6.70%	-7.30%	-6.60%	--
09/09/2024 09:15	Money Supply M0 YoY	Aug	--	12.20%	12.00%	--
09/11/2024 09:18	FDI YTD YoY CNY	Aug	--	-31.50%	-29.60%	--
09/30/2024 09:30	Composite PMI	Sep	--	--	50.1	--
09/30/2024 09:30	Manufacturing PMI	Sep	--	--	49.1	--
09/30/2024 09:30	Non-manufacturing PMI	Sep	--	--	50.3	--
09/30/2024 09:45	Caixin China PMI Composite	Sep	--	--	51.2	--
09/30/2024 09:45	Caixin China PMI Mfg	Sep	--	--	50.4	--
09/30/2024 09:45	Caixin China PMI Services	Sep	--	--	51.6	--
09/30/2024	BoP Current Account Balance	2Q F	--	--	\$54.9b	--

Hong Kong GDP Y on Y



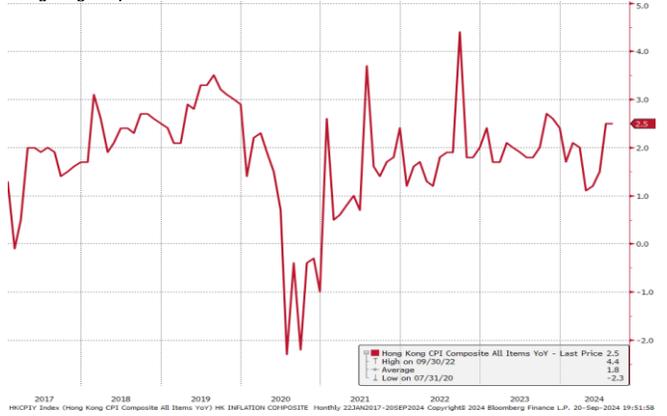
Hong Kong Base Interest Rate



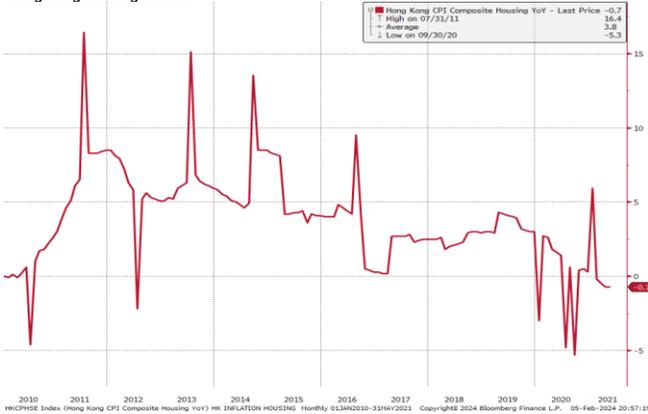
Hong Kong Unemployment Rate



Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y



(Source: Bloomberg)

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