KENANGA FUTURES SDN BHD Company No. 353603-X

HONG KONG INDEX FUTURES DAILY PREVIEW
Date Prepared : 27/Feb/2025

Fundamentals:

Hong Kong stocks hit a three-year high on Wednesday, as a correction for the largest US tech firms turned investor attention to their Chinese counterparts, which led a gauge of local tech stocks to briefly breach the 6,000-point mark.

The Hang Seng Index jumped 3.3 per cent to 23,787.93 at the close, a level not seen since February 21, 2022. It also wiped out a decline of 1.9 per cent recorded over the past two days. The Hang Seng Tech Index surged 4.5 per cent to finish just shy of 6,000, a threshold it touched briefly for the first time since December 2021.

On the mainland, the CSI 300 Index climbed 0.9 per cent and the Shanghai Composite Index added 1 per cent.

Alibaba Group Holding, which owns the Post, added 4.8 per cent to HK$136.90, recovering most of its losses from the past two days. E-commerce rival JD.com advanced 8.5 per cent to HK$168.10. Tencent Holdings gained 3.4 per cent to HK$501.50 and Meituan climbed 9.8 per cent to HK$174.20. Budweiser Brewing surged 10 per cent to HK$8.66 after appointing a new CEO to turn its slumping business around.

"There's an ongoing rebalancing for global funds and the Chinese market has regained favour," said Melody Lai, an analyst at SPDB International in Hong Kong. "Funds have been rotating from the US and India to China and Europe, where the positionings are low among global investors. China's markets have the valuation edge among the world's key stock markets. So foreign inflows are expected to continue in the near term."

Investors have been returning to China's biggest tech stocks after a pullback triggered by overbuying, with optimism rising that Beijing would use more resources this year to support innovation as the China-US rivalry intensifies. Premier Li Qiang called for more technological breakthroughs in a visit to the nation's largest state-owned telecoms operators, according to China Central Television.

In the US overnight, the "Magnificent Seven" tech stocks – including Nvidia and Apple – recorded an 11 per cent decline from a December high to enter a technical correction. Concerns about stagflation have been growing after recent data showed that inflation pressure remained entrenched and President Donald Trump's tariff policies had sparked fear of slowing growth.

Caution prevailed ahead of chipmaker Nvidia's earnings release, which is expected later Wednesday. A slight miss could trigger a new round of sell-offs in US tech stocks, given that the sector's elevated valuations make it vulnerable to negative headlines.

The success of Chinese start-up DeepSeek's artificial intelligence (AI) model has triggered a re-evaluation of Chinese technology stocks, which had been suffering under a government crackdown, weak consumer spending and US curbs on chip exports. The Hang Seng Tech Index entered a technical bull market last month after recording a 20 per cent gain from a January low. The 30-member gauge is valued at 23.7 times earnings, compared with 39.4 times for the Magnificent Seven, according to Bloomberg data.

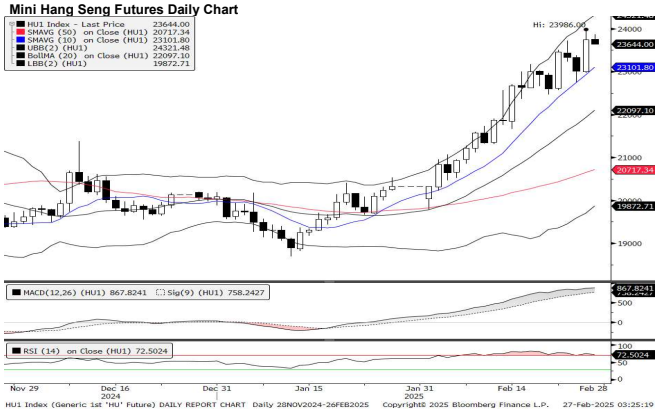
Hong Kong plans to spend HK$1 billion (US$128.7 million) on an AI research centre, Financial Secretary Paul Chan Mo-po said in a budget speech on Wednesday. He also pledged to develop AI as a "core industry" and turn Hong Kong into an "international exchange and cooperation hub". Chan also said government spending would be cut to address the city's budget deficit and forecast modest economic growth of 2 to 3 per cent this year.

Elsewhere, China Galaxy Securities jumped 17 per cent to HK$8.76 and China International Capital Corp soared 19 per cent to HK$16.22 after Reuters reported that they planned to merge to create the nation's third-largest brokerage. Both companies' Shanghai-listed shares surged by 10 per cent, the maximum daily movement allowed by mainland exchanges.

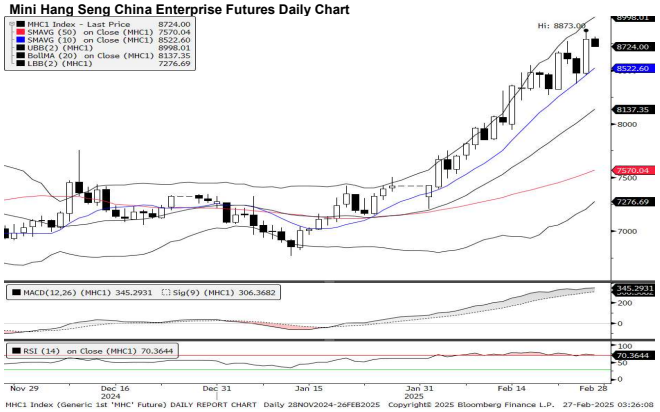
Other major Asia-Pacific markets were mixed. Japan's Nikkei 225 slipped 0.3 per cent and Australia's S&P/ASX 200 lost 0.1 per cent, while South Korea's Kospi added 0.4 per cent.

(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 FEB 25	739	23747	23986	22961
H. SENG FUT MAR 25	761	23771	23994	22965
H. SENG FUT JUN 25	769	23696	23909	23015
H. SENG FUT SEP 25	782	23695	23897	22975
MINI H. SENG FUT FEB 25	739	23747	23986	22962
MINI H. SENG FUT MAR 25	761	23771	23994	22965
MINI H. SENG FUT JUN 25	769	23696	23900	22900
MINI H. SENG FUT SEP 25	782	23695	23907	22992
HSCEI FUT FEB 25	316	8791	8873	8460
HSCEI FUT MAR 25	325	8826	8905	8488
HSCEI FUT JUN 25	315	8806	8854	8352
HSCEI FUT SEP 25	323	8803	8834	8689
MINI HSCEI FUT FEB 25	316	8791	8873	8460
MINI HSCEI FUT MAR 25	325	8826	8904	8490
MINI HSCEI FUT JUN 25	315	8806	8880	8496
MINI HSCEI FUT SEP 25	323	8803	8842	8500

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	59.65	2.25	60.15	57.55
**Tencent Holdings Ltd	501.5	16.7	508	487.8
*HSBC Holdings PLC	88.75	1.65	89.3	88.1
**China Construction Bank Corp	6.72	0.1	6.75	6.64
**Ping An Insurance Group	48.35	1.85	48.85	46.65
**Meituan	174.2	15.6	177	160
*Hong Kong Exchanges & Clearing Ltd	361.2	17.4	364.6	344.4
**Alibaba Group Holdings Ltd	136.9	6.3	139.1	132
**Xiaomi Corp	56.3	3.1	56.8	53.1
**ICBC	5.59	0.07	5.64	5.53

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	23.75	0.4	24.3	23.35
**China Mobile Ltd	79	-1.15	80.95	78.55
**Bank of China Ltd	4.43	0.08	4.45	4.35
*Techtronic Industries Co Ltd	108	-0.1	110.2	107.1
*CK Hutchison Holdings Ltd	39.85	0.45	39.95	39.45
*Link REIT	35.65	0.25	36	35.2
*CLP Holding Ltd	65.45	0.2	66.4	65.25
**Geely Automobile Holdings Ltd	17.9	-0.1	18.42	17.4
**CNOOC Ltd	17.76	-0.22	17.92	17.66
**ANTA Sports Products Ltd	86.15	0.85	87.95	85.6

Global Equity Indices	Close	Change	High	Low
Hang Seng	23787.93	753.91	23973.17	23238.34
HSCEI	8792.89	293.7	8869.55	8568.8
Shanghai Comp Index	3380.21	34.174	3380.214	3351.209
Nikkei 225	38142.4	-95.42	38175.24	37742.76
KOSPI	2641.09	10.8	2648.06	2620.16
S&P/ASX200	8240.68	-11.23	8251.9	8210.1
DJIA	43442.4	-178.77	43866.5	43318.93
S&P 500	5936.59	-18.66	6009.82	5932.69
NASDAQ	19035.7	9.29	19286.02	18966.46
DAX	22794.1	383.84	22833.25	22554.37
CAC	8143.92	1.15	8169.35	8084.05
FTSE100	8731.46	62.79	8738.28	8668.67

Technical Analysis

Mini Hang Seng

1st Resistance:	24103	2nd Resistance:	24459
1st Support:	23391	2nd Support:	23035
MACD:	856.214		
MACD DIFF:	125.2296		
RSI:	74.36595		

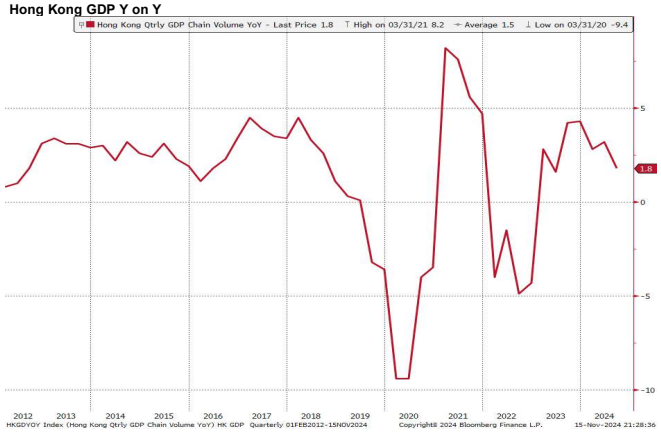
Mini Hang Seng China Enterprise

1st Resistance:	8923	2nd Resistance:	9055
1st Support:	8659	2nd Support:	8527
MACD:	342.409		
MACD DIFF:	45.728		
RSI:	73.14763		

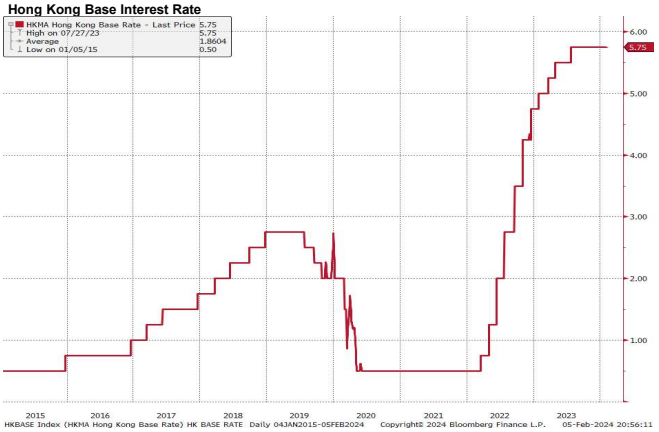
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
02/05/2025 08:30	S&P Global Hong Kong PMI	Jan	--	51	51.1	--
02/18/2025 16:30	Unemployment Rate SA	Jan	3.10%	3.10%	3.10%	--
02/20/2025 16:30	CPI Composite YoY	Jan	1.80%	2.00%	1.40%	--
02/26/2025	GDP Annual YoY	2024 F	--	2.50%	2.50%	--
02/28/2025 16:30	Money Supply M1 HKD YoY	Jan	--	--	1.30%	--
02/28/2025 16:30	Money Supply M2 HKD YoY	Jan	--	--	2.70%	--
02/28/2025 16:30	Money Supply M3 HKD YoY	Jan	--	--	2.80%	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
02/14/2025 17:01	Money Supply M1 YoY	Jan	-0.50%	0.40%	-1.40%	1.20%
02/14/2025 17:01	Money Supply M2 YoY	Jan	7.30%	7.00%	7.30%	--
02/14/2025 17:01	Money Supply M0 YoY	Jan	--	17.20%	13.00%	--
02/14/2025 17:31	BoP Current Account Balance	4Q P	--	$180.7b	$147.6b	--
02/14/2025 02/18	FDI YTD YoY CNY	Jan	--	-13.40%	-27.10%	--
03/01/2025 09:30	Manufacturing PMI	Feb	--	--	49.1	--
03/01/2025 09:30	Non-manufacturing PMI	Feb	--	--	50.2	--
03/01/2025 09:30	Composite PMI	Feb	--	--	50.1	--
03/03/2025 09:45	Caixin China PMI Mfg	Feb	--	--	50.1	--
03/05/2025 09:45	Caixin China PMI Composite	Feb	--	--	51.1	--
03/05/2025 09:45	Caixin China PMI Services	Feb	--	--	51	--

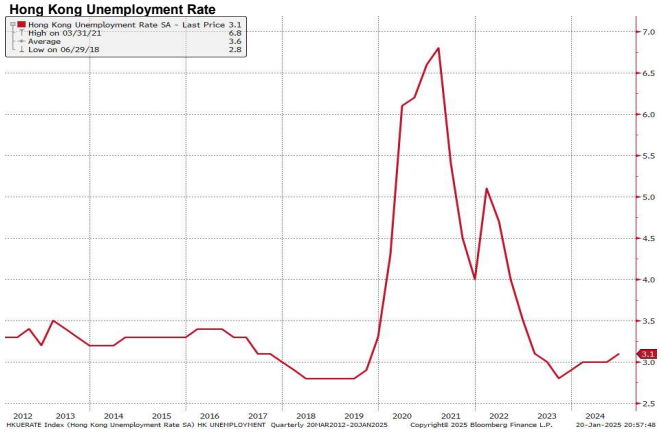
Hong Kong GDP Y on Y



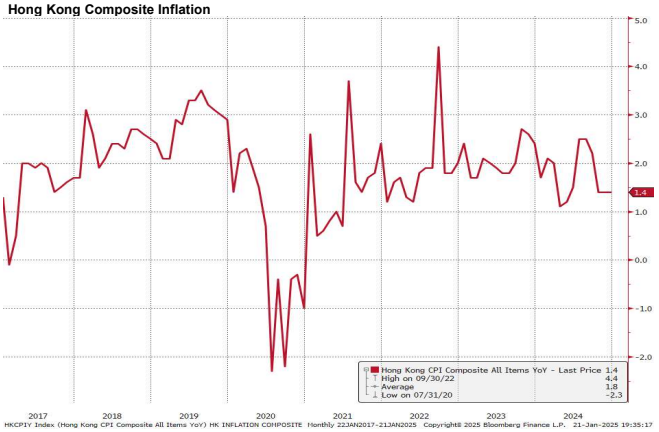
Hong Kong Base Interest Rate



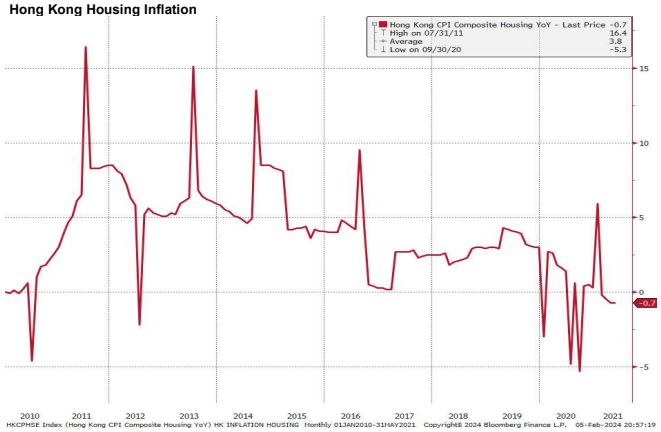
Hong Kong Unemployment Rate



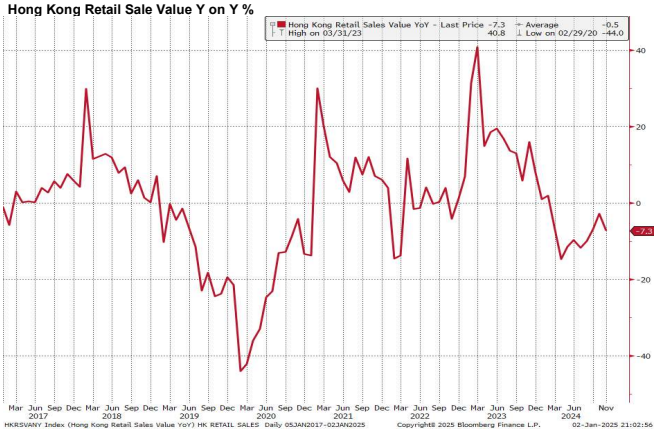
Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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