

Fundamentals:

Hong Kong stocks rallied on Wednesday, propelling the benchmark gauge to its best one-day performance in three months, as tame US inflation data fuelled rate-cut expectations and corporate earnings prospects brightened.

The Hang Seng Index close 2.6 per cent higher at 25,613.67, the most since a 3 per cent gain on May 12. The gauge finished at its highest level in almost three weeks.
The Hang Seng Tech Index jumped 3.5 per cent. On the mainland, the CSI 300 Index climbed 0.8 per cent and the Shanghai Composite Index added 0.5 per cent.

Chinese pork processor WH Group surged 6.2 per cent to HK\$8.36 after first-half operating profit increased 10.4 per cent from a year earlier. China Unicom gained 0.7 per cent to HK\$10.26 after net income rose 5.1 per cent in the first six months. Tencent Holdings climbed 4.7 per cent to HK\$586, with the social media giant set to report a 7 per cent year-on-year increase in second-quarter net income later today. Alibaba Group Holding surged 6.1 per cent to HK\$123.70 and HSBC Holdings added 1.3 per cent to HK\$101.50.

The S&P 500 and the Nasdaq 100 both hit record highs overnight after US inflation data came in line with economists' projections, bolstering hopes that the Federal Reserve would cut interest rates next month amid signs of a cooling jobs market. The probability of a 25-basis-point rate cut next month rose to 94.3 per cent from 85.9 per cent before the data release, according to CME Group. The September cut could be followed by two reductions of the same magnitude in December and March next year, according to Nomura Holdings.

"The market is treating a September cut as a done deal," said Stephen Innes, a managing partner at SPI Asset Management in Bangkok. The inflation print "paints a neon arrow pointing at 25 basis points, and keeps a side door ajar for a full 50 basis-point [cut] if the jobs tape keeps unravelling."

Lower US dollar interest rates typically benefit risk assets in Asia, with investors rotating out of dollar-denominated investments into alternatives that could yield higher returns. Ample liquidity may add momentum to Hong Kong stocks that are already riding on de-escalating US-China trade tensions and faster-than-estimated first-half economic growth in the Asian nation. Morgan Stanley said last week that foreign buying of Chinese stocks would accelerate after summer.

In a milestone for China's property market crisis, heavily indebted developer China Evergrande Group said that its Hong Kong-listed shares would be delisted on August 25 after failing to fulfill the exchange's requirements to resume trading. The stock has been suspended since January 29, 2024, when it closed at HK\$0.163.

On the earnings front, 21 companies in the Hang Seng Index have disclosed interim reports, with profit growth averaging 10.3 per cent versus 17 per cent for the preceding six-month period, according to Bloomberg data.

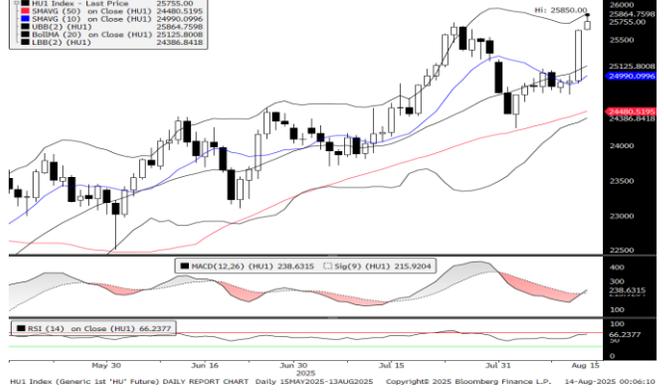
Elsewhere, Kweichow Moutai, the Chinese liquor giant, dropped 1.2 per cent to 1,420.05 yuan in Shanghai after posting a 9.2 per cent profit increase in the first half. That was the slowest pace of increase for the six-month period since at least 2016.

"Persistent macroeconomic challenges and new 'alcohol ban' measures have intensified demand pressure, leading to sales declines across the broader baijiu sector in the quarter," said Jennifer Song, an analyst at Morningstar.

Other major Asia-Pacific markets were mostly higher. Japan's Nikkei 225 climbed 1.3 per cent and South Korea's Kospi rose 1.1 per cent, while Australia's S&P/ASX 200 lost 0.6 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 25	717	25631	25639	24875
H. SENG FUT SEP 25	717	25549	25554	24795
H. SENG FUT DEC 25	720	25675	25626	24950
H. SENG FUT MAR 26	717	25697	25062	25025
MINI H. SENG FUT AUG 25	717	25631	25641	24876
MINI H. SENG FUT SEP 25	717	25549	25558	24795
MINI H. SENG FUT DEC 25	720	25675	25678	24945
MINI H. SENG FUT MAR 26	717	25697	25680	24965
HSCEI FUT AUG 25	259	9164	9167	8893
HSCEI FUT SEP 25	258	9137	9137	8875
HSCEI FUT DEC 25	256	9188	9140	8936
HSCEI FUT MAR 26	258	9218	#N/A	#N/A
MINI HSCEI FUT AUG 25	259	9164	9169	8893
MINI HSCEI FUT SEP 25	258	9137	9139	8868
MINI HSCEI FUT DEC 25	256	9188	9192	8930
MINI HSCEI FUT MAR 26	258	9218	9212	8975

Major HSI Constituent Stocks	Close	Change	High	Low
*Alia Group Ltd	76.4	2.25	76.6	73.95
**Tencent Holdings Ltd	586	26.5	586	566
**HSBC Holdings PLC	101.5	1.3	102.3	101
**China Construction Bank Corp	8.02	0.07	8.04	7.94
**Ping An Insurance Group	56.8	0.9	57.05	55.6
**Meituan	124.3	4.9	124.9	120.5
*Hong Kong Exchanges & Clearing Ltd	439.8	9.8	440.4	432.8
**Alibaba Group Holdings Ltd	123.7	7.1	123.8	119.2
**Xiaomi Corp	53.25	1.55	53.3	51.75
**ICBC	6.16	0.06	6.17	6.11

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	30.8	1.24	31	29.42
**China Mobile Ltd	88.8	0.5	88.9	88.25
**Bank of China Ltd	4.6	0.05	4.6	4.55
*Techtronic Industries Co Ltd	103.2	4.45	103.3	98.6
*CK Hutchison Holdings Ltd	52.2	0.9	52.35	51.4
*Link REIT	44.6	0.68	44.66	44.04
*CLP Holding Ltd	67.05	0.1	67.25	66.95
**Geely Automobile Holdings Ltd	19.3	0.02	19.44	18.91
**CNOOC Ltd	19.01	0.22	19.05	18.78
**ANTA Sports Products Ltd	90	0.2	90.8	89.45

Global Equity Indices	Close	Change	High	Low
Hang Seng	25613.67	643.99	25613.67	25176.52
HSCEI	9150.05	233.2	9150.05	8978.2
Shanghai Comp Index	3683.47	17.547	3688.628	3666.547
Nikkei 225	43274.7	556.5	43451.46	43008.2
KOSPI	3224.37	34.46	3226.37	3192.17
S&P/ASX200	8827.11	-53.687	8890.5	8815.3
DJIA	44922.3	463.66	44949.12	44571.53
S&P 500	6466.58	20.82	6480.28	6445.02
NASDAQ	21713.1	31.24	21803.75	21645.14
DAX	24185.6	160.81	24247.39	24138.79
CAC	7804.97	0.66	7819.69	7769.07
FTSE100	9165.23	17.42	9182.74	9142.37

Technical Analysis

Mini Hang Seng

1st Resistance:	26015	2nd Resistance:	26400
1st Support:	25247	2nd Support:	24862
MACD:	194.622		
MACD DIFF:	-16.0678		
RSI:	64.74606		

Mini Hang Seng China Enterprise

1st Resistance:	9301	2nd Resistance:	9439
1st Support:	9027	2nd Support:	8889
MACD:	47.352		
MACD DIFF:	-10.690		
RSI:	62.08586		

Strategy:

Mini Hang Seng:	Long: Profit target: 25247	Stop-loss: 25499	25120	Long: Profit target: 24862	Stop-loss: 25111	24738
	Short: Profit target: 26015	Stop-loss: 25755	26146	Short: Profit target: 26400	Stop-loss: 26136	26532
Mini Hang Seng China Enterprise:	Long: Profit target: 9027	Stop-loss: 9117	8981	Long: Profit target: 8889	Stop-loss: 8978	8845
	Short: Profit target: 9301	Stop-loss: 9208	9348	Short: Profit target: 9439	Stop-loss: 9345	9486

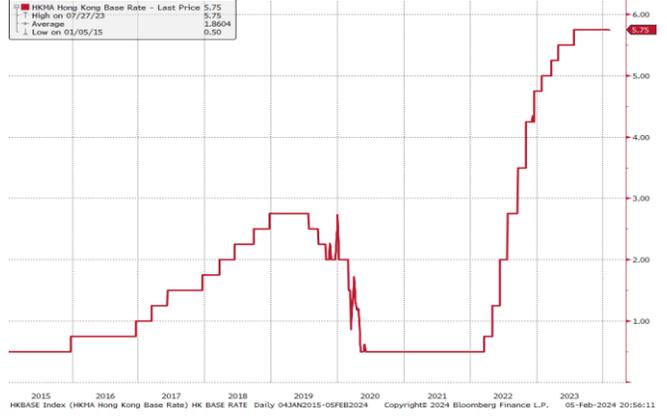
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
7/31/2025 16:30	Retail Sales Value YoY	Jun	1.40%	0.70%	2.40%	--
7/31/2025 16:30	Retail Sales Volume YoY	Jun	0.20%	-0.30%	1.90%	--
7/31/2025 16:30	Money Supply M1 HKD YoY	Jun	--	23.70%	18.60%	--
7/31/2025 16:30	Money Supply M2 HKD YoY	Jun	--	8.40%	9.50%	--
7/31/2025 16:30	Money Supply M3 HKD YoY	Jun	--	8.40%	9.50%	--
7/31/2025 16:30	GDP SA QoQ	2Q A	0.10%	0.40%	1.90%	1.80%
7/31/2025 16:30	GDP YoY	2Q A	2.80%	3.10%	3.10%	3.00%
8/05/2025 08:30	S&P Global Hong Kong PMI	Jul	--	49.2	47.8	--
8/15/2025 16:30	GDP SA QoQ	2Q F	--	--	0.40%	--
8/15/2025 16:30	GDP YoY	2Q F	--	--	3.10%	--
8/19/2025 16:30	Unemployment Rate SA	Jul	--	--	3.50%	--
8/21/2025 16:30	CPI Composite YoY	Jul	--	--	1.40%	--
8/29/2025 16:30	Money Supply M1 HKD YoY	Jul	--	--	23.70%	--
8/29/2025 16:30	Money Supply M2 HKD YoY	Jul	--	--	8.40%	--
8/29/2025 16:30	Money Supply M3 HKD YoY	Jul	--	--	8.40%	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
7/31/2025 9:30	Manufacturing PMI	Jul	49.7	49.3	49.7	--
7/31/2025 9:30	Non-manufacturing PMI	Jul	50.2	50.1	50.5	--
7/31/2025 9:30	Composite PMI	Jul	--	50.2	50.7	--
8/01/2025 9:45	S&P Global China PMI Mfg	Jul	50.2	49.5	50.4	--
8/05/2025 9:45	S&P Global China PMI Composite	Jul	--	50.8	51.3	--
8/05/2025 9:45	S&P Global China PMI Services	Jul	--	52.6	50.6	--
8/08/2025	BoP Current Account Balance	2Q P	--	\$135.1b	\$165.4b	--
8/09/2025 9:30	PPI YoY	Jul	-3.30%	-3.60%	-3.60%	--
8/09/2025 09:30	CPI YoY	Jul	-0.10%	0.00%	0.10%	--
8/09/2025-8/15/2025	Money Supply M2 YoY	Jul	8.30%	8.80%	8.30%	--
8/09/2025-8/15/2025	Money Supply M1 YoY	Jul	5.20%	5.60%	4.60%	--
8/09/2025-8/15/2025	Money Supply M0 YoY	Jul	--	11.80%	12.00%	--
8/11/2025-8/18/2025	FDI YTD YoY CNY	Jul	--	--	-15.20%	--

Hong Kong GDP Y on Y



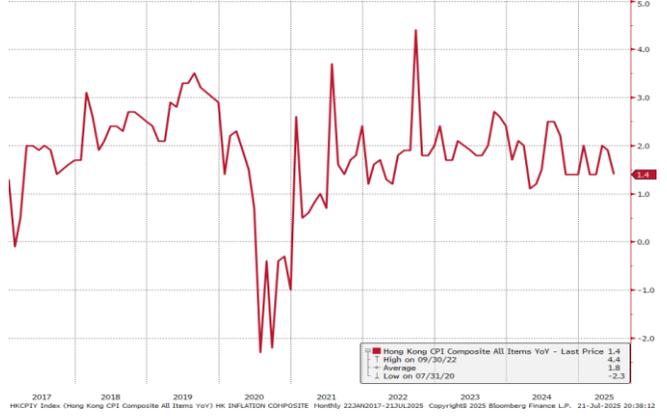
Hong Kong Base Interest Rate



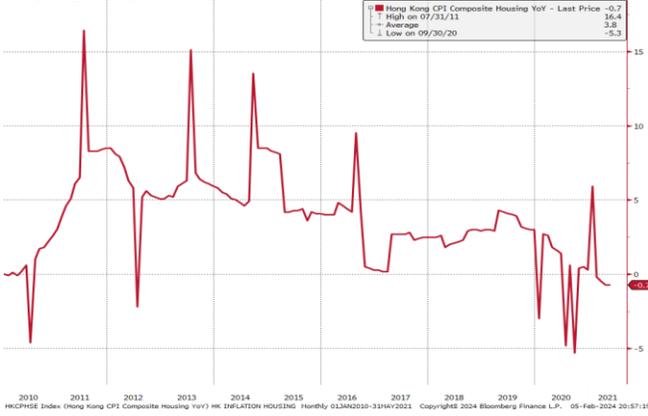
Hong Kong Unemployment Rate



Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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