

Fundamentals:

Hong Kong stocks dropped by the most in a week, as investors locked in profits from a rally that has pushed the benchmark gauge up by more than a fifth since late January. The Chinese yuan currency hit a six-month low ahead of key economic data.

The Hang Seng Index slumped 1.8 per cent to 18,477.01 at close, its steepest decline since May 21. The Hang Seng Tech Index slid 2.3 per cent, while the Shanghai Composite Index added 0.1 per cent.

Investors are weighing China's recent measures to shore up the property market and assessing their likely impact on home sales and growth. Guangzhou and Shenzhen joined Shanghai in easing curbs on home purchases on Tuesday, becoming the latest first-tier cities to join nationwide rescue efforts for the troubled industry. A Bloomberg gauge of Chinese property stocks trading in Hong Kong has surged 35 per cent over the past four months.

Sentiment was also dealt a blow after the onshore yuan fell to 7.2487 against the US dollar, its lowest since November, as China's central allowed a weak daily fix in a bid to boost exports.

"The next catalyst would probably come from a stabilisation in fundamentals and the key is to monitor when an inflection point of home sales will come out," said Wang Yi, an analyst at Great Wall Securities. "While earnings growth is still relatively low, the strategy of overweighting dividend assets still works."

Chinese personal-computer maker Lenovo Group shed 1.7 per cent to HK\$11.62 after it sold US\$2 billion of zero-coupon convertible bonds to Saudi Arabia's sovereign wealth fund to fund debt repayment. Tech sector leaders also fell, with Meituan sinking 5.3 per cent to HK\$112.70 and Alibaba Group Holding tumbling 3.5 per cent to HK\$76.30.

Caution also prevailed before the release of economic data from China and the US. China's statistics bureau is due to publish May's purchasing managers' index data for the manufacturing sector on Friday. Economists expect it to stay in the expansionary zone. US personal consumption expenditure (PCE) data is due on Thursday and expected to soften. The US Federal Reserve tracks the PCE price indexes for its 2 per cent inflation target.

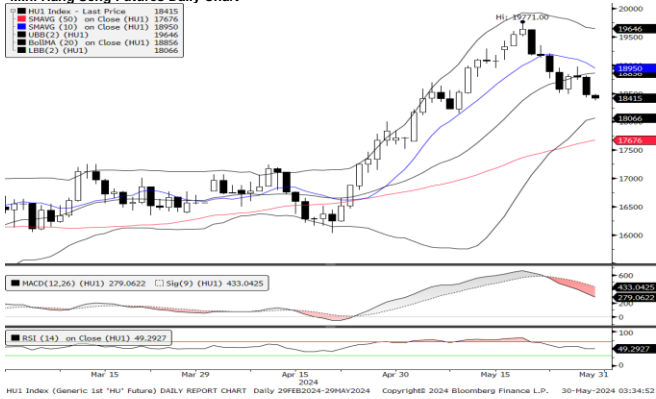
Chinese electric-vehicle maker BYD rallied 5.3 per cent to HK\$217.60 after unveiling an upgraded technology that can power its hybrid vehicles over a longer driving range. Its Shenzhen-trade stock surged 8.4 per cent to 224.74 yuan.

"We expect the new model launches to bode well for BYD's wholesale in coming months, where it may re-stock channel inventory nationwide to prepare for likely stronger sales volume at the pickup and toward peak season in the second half," a report from Morgan Stanley said.

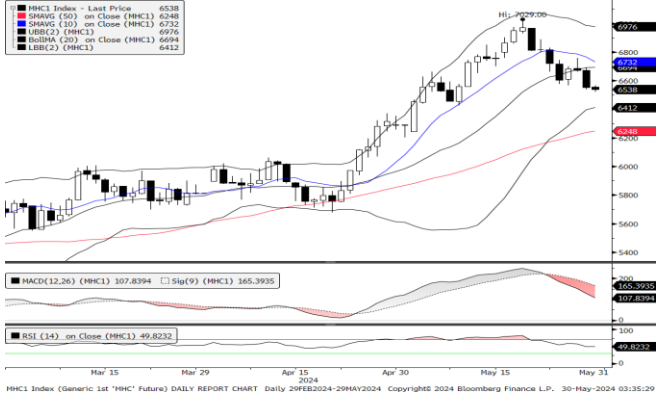
Other major Asian markets also retreated as investors turned cautious ahead of key data releases. Japan's Nikkei 225 slipped 0.8 per cent, while South Korea's Kospi retreated 1.7 per cent and Australia's S&P/ASX 200 lost 1.3 per cent.

(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 MAY 24	-307	18482	18812	18429
H. SENG FUT JUN 24	-302	18426	18758	18375
H. SENG FUT SEP 24	-298	18340	18590	18295
H. SENG FUT DEC 24	-306	18488	18705	18462
MINI H. SENG FUT MAY 24	-307	18482	18813	18429
MINI H. SENG FUT JUN 24	-302	18426	18757	18376
MINI H. SENG FUT SEP 24	-298	18340	18655	18287
MINI H. SENG FUT DEC 24	-306	18488	18812	18444
HSCEI FUT MAY 24	-117	6554	6688	6537
HSCEI FUT JUN 24	-110	6526	6653	6505
HSCEI FUT SEP 24	-114	6460	6585	6445
HSCEI FUT DEC 24	-115	6523	6548	6509
MINI HSCEI FUT MAY 24	-117	6554	6688	6538
MINI HSCEI FUT JUN 24	-110	6526	6652	6505
MINI HSCEI FUT SEP 24	-114	6460	6578	6445
MINI HSCEI FUT DEC 24	-115	6523	6602	6508

Major HSI Constituent Stocks	Close	Change	High	Low
*Alia Group Ltd	60.4	-0.0593	60.85	59.9
**Tencent Holdings Ltd	371	-9.2	379.8	369.6
*HSBC Holdings PLC	68.5	-0.4	68.65	68.15
**China Construction Bank Corp	5.69	-0.15	5.82	5.69
**Ping An Insurance Group	41.2	-1	41.95	41
**Meituan	112.7	-6.3	117.7	111.9
*Hong Kong Exchanges & Clearing Ltd	271.2	-5.2	275.2	270
**Alibaba Group Holdings Ltd	76.8	-2.75	78.8	76.1
**Xiaomi Corp	17.78	-0.36	18.08	17.66
**ICBC	4.55	-0.09	4.64	4.52

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	11.42	-0.32	11.76	11.42
**China Mobile Ltd	73.9	-0.6	74.6	73.85
*Bank of China Ltd	3.78	-0.08	3.87	3.76
*Techtronic Industries Co Ltd	96.45	-2.95	97.95	95.55
*CK Hutchison Holdings Ltd	39.2	-0.8	40	39
*Link REIT	34.7	1.25	35.15	32.85
*CLP Holding Ltd	64.65	-1.45	66.2	64.3
**Geely Automobile Holdings Ltd	9.89	-0.13	9.97	9.81
**CNOOC Ltd	20.95	0.35	21.15	20.6
**ANTA Sports Products Ltd	85.95	-1.75	88.05	85.65

Global Equity Indices	Close	Change	High	Low
Hang Seng	18477.01	-344.15	18694.6	18425.09
HSCEI	6557.48	-128.65	6650.53	6540.13
Shanghai Comp Index	3111.02	1.446	3128.14	3100.98
Nikkei 225	38556.9	-298.5	39142	38524.24
KOSPI	2677.3	-45.55	2721.63	2677.07
S&P/ASX200	7665.63	-101.078	7766.7	7660.9
DJIA	38494.8	-358.06	38716.3	38413.67
S&P 500	5272.88	-33.16	5282.27	5262.7
NASDAQ	16956.8	-63.09	16989.6	16873.97
DAX	18473.3	-204.58	18677.7	18438.01
CAC	7935.03	-1.52	8040.03	7926.42
FTSE100	8183.07	-71.11	8255.39	8180.03

Technical Analysis

Mini Hang Seng

1st Resistance:	18759	2nd Resistance:	19036
1st Support:	18205	2nd Support:	17928
MACD:	335.829		
MACD DIFF:	-135.659		
RSI:	50.5839		

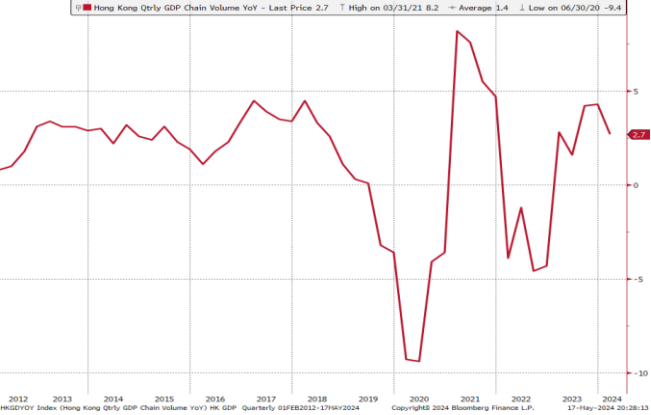
Mini Hang Seng China Enterprise

1st Resistance:	6652	2nd Resistance:	6751
1st Support:	6456	2nd Support:	6357
MACD:	128.748		
MACD DIFF:	-51.002		
RSI:	50.6699		

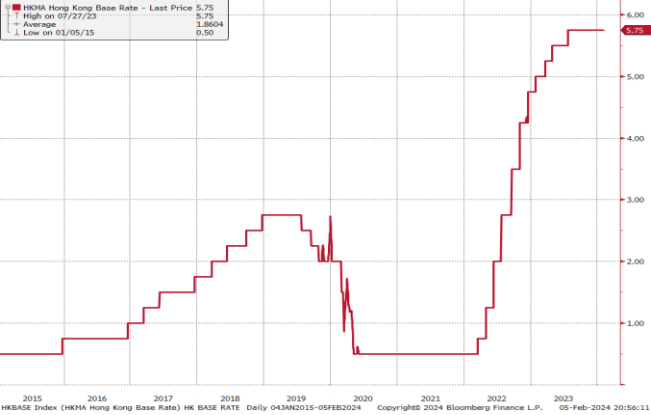
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
05/17/2024 16:30	GDP SA QoQ	1Q F	2.30%	2.30%	2.30%	--
05/17/2024 16:31	GDP YoY	1Q F	2.70%	2.70%	2.70%	--
05/20/2024 16:30	Unemployment Rate SA	Apr	3.00%	3.00%	3.00%	--
05/23/2024 16:30	CPI Composite YoY	Apr	2.00%	1.10%	2.00%	--
05/31/2024 16:30	Retail Sales Volume YoY	Apr	--	--	-8.60%	--
05/31/2024 16:30	Retail Sales Value YoY	Apr	--	--	-7.00%	--
05/31/2024 16:30	Money Supply M1 HKD YoY	Apr	--	--	-11.40%	--
05/31/2024 16:30	Money Supply M2 HKD YoY	Apr	--	--	-0.40%	--
05/31/2024 16:30	Money Supply M3 HKD YoY	Apr	--	--	-0.40%	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
05/17/2024 10:00	Retail Sales YoY	Apr	3.70%	2.30%	3.10%	--
05/17/2024 10:00	Retail Sales YTD YoY	Apr	4.60%	4.10%	4.70%	--
05/17/2024 10:00	Surveyed Jobless Rate	Apr	5.20%	0.05	5.20%	--
05/17/2024 05/18	FDI YTD YoY CNY	Apr	--	-27.90%	-26.10%	--
05/27/2024 09:30	Industrial Profits YTD YoY	Apr	--	4.30%	4.30%	--
05/27/2024 09:30	Industrial Profits YoY	Apr	--	4.00%	-3.50%	--
05/31/2024 09:30	Composite PMI	May	--	--	51.7	--
05/31/2024 09:30	Manufacturing PMI	May	--	--	50.4	--
05/31/2024 09:30	Non-manufacturing PMI	May	--	--	51.2	--

Hong Kong GDP Y on Y



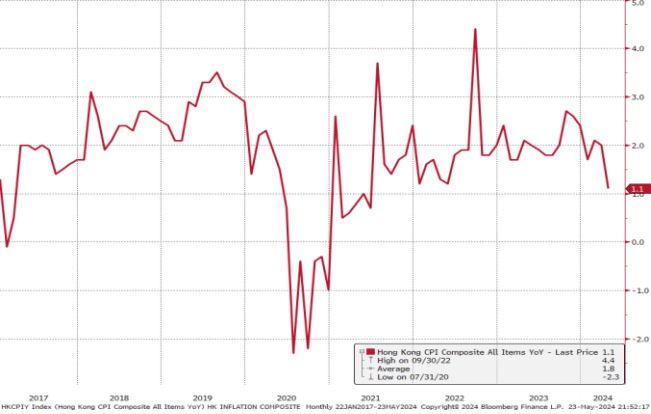
Hong Kong Base Interest Rate



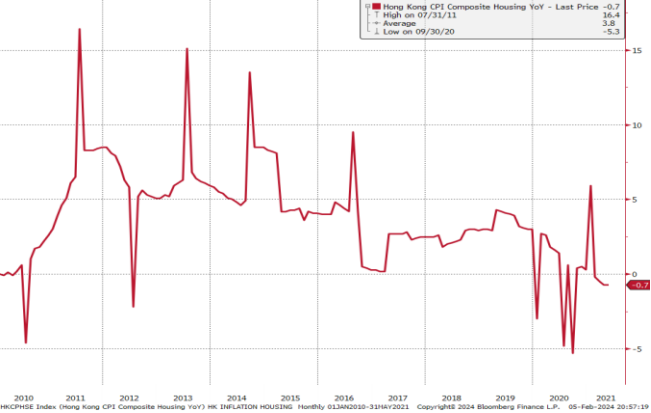
Hong Kong Unemployment Rate



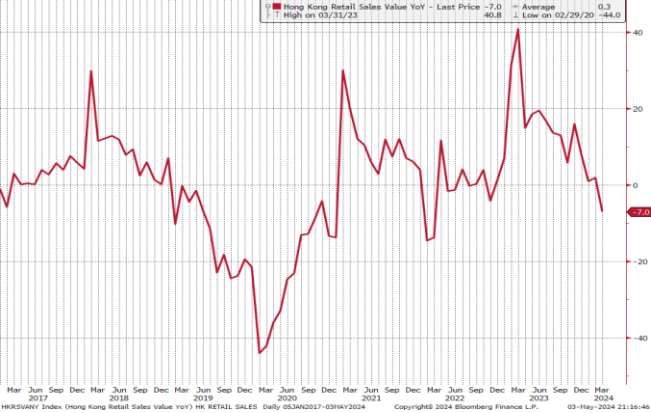
Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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