

Fundamentals:

Hong Kong stocks retreated on Wednesday, pushing the benchmark below the 18,000 mark for the first time in more than a month, as China inflation data sparked worries about domestic demand in the world's second biggest economy.

The Hang Seng Index fell 1.3 per cent to 17,937.84 at the close, and a close below 18,000 was the first such instance since April 30. The Hang Seng Tech Index slid 1.7 per cent, while the Shanghai Composite Index rose 0.3 per cent.

Consumer prices increased 0.3 per cent from a year ago in May. China's statistics bureau said on Wednesday. That compares with the consensus estimate of a 0.4 per cent increase by the economists tracked by Bloomberg. Producer prices fell 1.4 per cent for the 20th consecutive month of decline, reflecting the deflationary cycle.

"The deflationary pressure has not faded yet," said Zhang Zhiwei, chief economist at Pinpoint Asset Management in Hong Kong. "A more comprehensive and proactive policy stance covering fiscal, monetary, and property sector may be necessary to boost domestic demand more effectively."

Hong Kong property developers weakened ahead of the US Federal Reserve's rate-setting meeting on Thursday as concerns remained that the interest-rate environment would keep the cost of home purchases elevated. Hong Kong's monetary policy moves in lock-step with the United States as the city's currency is pegged to the US dollar. New World Development tumbled 3.5 per cent to HK\$7.78 and Sun Hung Kai Properties fell 1.6 per cent to HK\$71.60.

Tencent Holdings slipped 0.8 per cent to HK\$370.80 and Alibaba Group Holding also lost 0.9 per cent to HK\$74.15.

The Fed is widely expected to leave the benchmark borrowing cost unchanged in its June policy meeting to fight entrenched inflation, but concerns swirl that officials will dial back expectations of interest rate cuts for the rest of the year. Hours before the Fed meeting, the US is due to release its May inflation data.

The rally that has driven the Hang Seng Index into bull market territory has exhibited some sign of fatigue, with the benchmark falling more than 8 per cent from a high last month, as investors locked profits and awaited stability in the property market and further policy support. Meanwhile, Goldman Sachs said the momentum on local stocks had yet to run its course and the current pullback was a "healthy" one.

Bucking the decline in the broader market, Apple's Chinese suppliers rallied after the maker of iPhones rose to a record overnight on optimism around artificial intelligence features expected in its new products. BYD Electronic advanced 3.9 per cent to HK\$36.10 and Luxshare Precision Industry climbed 4.8 per cent to 33.30 yuan in Shenzhen.

Biopharmaceutical firm Wuxi Biologics jumped 14 per cent to HK\$12.54 on speculation that the US bill to ban the company from doing businesses with the American government will not come through. Its affiliate Wuxi AppTec rallied 8.5 per cent to HK\$35.95.

China Evergrande New Energy Vehicle Group plunged 21 per cent to HK\$0.34 after the carmaker was ordered by the government to return the subsidy of 1.9 billion yuan (US\$261.9 million) for failing to meet contract obligations.

Wuhan Dameng Database, which offers database services to bank and state grids, jumped 177 per cent from its initial public offering price to 240.80 yuan on the first day of trading in Shanghai.

Other major Asian markets were mostly weak. Japan's Nikkei 225 slipped 0.7 per cent and Australia's S&P/ASX 200 lost 0.5 per cent, while South Korea's KOSPI rose 0.6 per cent.

(Source: South China Morning Post)

Contracts	Chg	Sett	High	Low
H. SENG FUT JUN 24	-201	17916	18120	17808
H. SENG FUT JUL 24	-202	17808	18012	17700
H. SENG FUT SEP 24	-203	17797	17994	17701
H. SENG FUT DEC 24	-209	17956	18155	17870
MINI H. SENG FUT JUN 24	-201	17916	18121	17808
MINI H. SENG FUT JUL 24	-202	17808	18009	17702
MINI H. SENG FUT SEP 24	-203	17797	17986	17696
MINI H. SENG FUT DEC 24	-209	17956	18144	17858
HSCEI FUT JUN 24	-81	6342	6435	6316
HSCEI FUT JUL 24	-84	6272	6346	6249
HSCEI FUT SEP 24	-82	6272	6350	6250
HSCEI FUT DEC 24	-86	6333	6354	6315
MINI HSCEI FUT JUN 24	-81	6342	6435	6316
MINI HSCEI FUT JUL 24	-84	6272	6359	6248
MINI HSCEI FUT SEP 24	-82	6272	6340	6253
MINI HSCEI FUT DEC 24	-86	6333	6414	6333

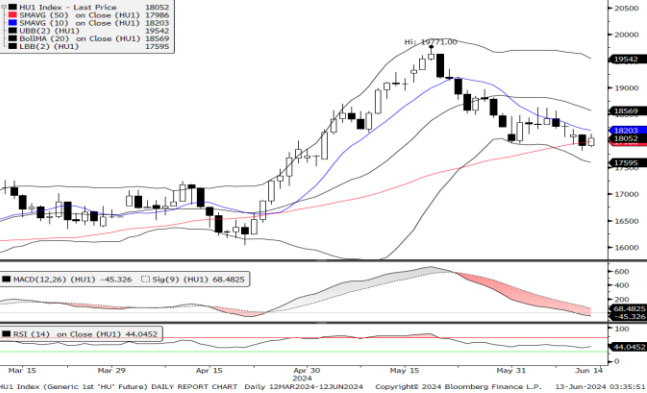
Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	56.3	-0.9	56.55	55.85
**Tencent Holdings Ltd	370.8	-3	377.8	369.6
**HSBC Holdings PLC	68.15	-0.35	68.15	66.9
**China Construction Bank Corp	5.49	-0.05	5.54	5.4
**Ping An Insurance Group	36.65	-0.8	37.35	36.25
**Meituan	112.6	-2.7	116.7	112.5
*Hong Kong Exchanges & Clearing Ltd	262.6	-3.6	265	261.2
**Alibaba Group Holdings Ltd	74.15	-0.6797	75.2	74.05
**Xiaomi Corp	17.14	-0.18	17.34	17.04
**ICBC	4.32	-0.04	4.35	4.26

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	12.54	1.56	12.98	11.02
**China Mobile Ltd	73.55	-0.35	74.1	72.7
**Bank of China Ltd	3.7	-0.02	3.72	3.63
*Techtronic Industries Co Ltd	94.4	-0.9	95.45	93.55
*CK Hutchison Holdings Ltd	37.5	-0.45	37.9	37.3
*Link REIT	32.25	-0.15	32.75	32.1
*CLP Holding Ltd	64.95	-0.95	65.7	63.7
**Geely Automobile Holdings Ltd	8.9	-0.45	9.26	8.86
**CNOOC Ltd	21.8	0.5	21.9	21.2
**ANTA Sports Products Ltd	82.15	-2.8	85.15	81.8

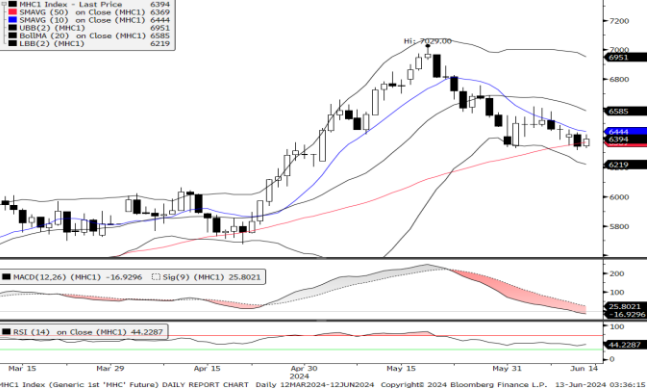
Global Equity Indices	Close	Change	High	Low
Hang Seng	17937.84	-238.5	18063.7	17848.76
HSCEI	6359.36	-92.7	6424.87	6334.86
Shanghai Comp Index	3037.47	9.423	3042.04	3021.309
Nikkei 225	38876.7	-258.08	38946	38809.36
KOSPI	2728.17	22.85	2730.3	2707.44
S&P/ASX200	7715.51	-39.865	7755.4	7699.2
DJIA	38644.8	-102.67	39120.3	38621.45
S&P 500	5441.87	66.55	5446.28	5409.13
NASDAQ	17594.9	251.32	17725.4	17490.64
DAX	18630.9	260.92	18651.7	18368.52
CAC	7864.7	0.97	7875.18	7802.01
FTSE100	8215.48	67.67	8243.22	8147.81

HONG KONG INDEX FUTURES DAILY PREVIEW
Date Prepared : 13/Jun/2024

Mini Hang Seng Futures Daily Chart



Mini Hang Seng China Enterprise Futures Daily Chart



Technical Analysis

Mini Hang Seng

1st Resistance:	18185	2nd Resistance:	18453
1st Support:	17647	2nd Support:	17379
MACD:	-26.845		
MACD DIFF:	-123.795		
RSI:	40.5437		

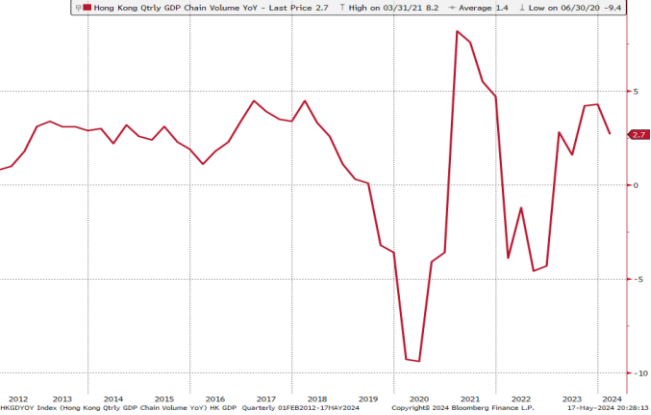
Mini Hang Seng China Enterprise

1st Resistance:	6437	2nd Resistance:	6532
1st Support:	6247	2nd Support:	6152
MACD:	-10.382		
MACD DIFF:	-46.867		
RSI:	40.6207		

Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
05/31/2024 16:30	Retail Sales Volume YoY	Apr	-9.10%	-16.50%	-8.60%	-8.70%
05/31/2024 16:30	Retail Sales Value YoY	Apr	-6.30%	-14.70%	-7.00%	--
05/31/2024 16:30	Money Supply M1 HKD YoY	Apr	--	-9.90%	-11.40%	--
05/31/2024 16:30	Money Supply M2 HKD YoY	Apr	--	0.50%	-0.40%	--
05/31/2024 16:30	Money Supply M3 HKD YoY	Apr	--	0.50%	-0.40%	--
06/05/2024 08:30	S&P Global Hong Kong PMI	May	--	49.2	50.6	--
06/14/2024 16:30	PPI YoY	1Q	--	--	2.70%	--
06/14/2024 16:30	Industrial Production YoY	1Q	--	--	4.10%	--
06/20/2024 16:30	Unemployment Rate SA	May	--	--	3.00%	--
06/21/2024 16:30	BoP Current Account Balance	1Q	--	--	\$71.20b	\$70.72b
06/21/2024 16:30	BoP Overall	1Q	--	--	-\$9.11b	--
06/21/2024 16:30	CPI Composite YoY	May	--	--	1.10%	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
05/31/2024 09:30	Composite PMI	May	--	51	51.7	--
05/31/2024 09:30	Manufacturing PMI	May	50.5	49.5	50.4	--
05/31/2024 09:30	Non-manufacturing PMI	May	51.5	51.1	51.2	--
06/09/2024 06/15	Money Supply M2 YoY	May	--	--	7.20%	--
06/09/2024 06/15	Money Supply M1 YoY	May	--	--	-1.40%	--
06/09/2024 06/15	Money Supply M0 YoY	May	--	--	10.80%	--
06/11/2024 06/18	FDI YTD YoY CNY	May	--	--	-27.90%	--
06/12/2024 09:30	PPI YoY	May	--	--	-2.50%	--
06/12/2024 09:30	CPI YoY	May	--	--	0.30%	--
06/17/2024 10:00	Industrial Production YoY	May	--	--	6.70%	--
06/17/2024 10:00	Industrial Production YTD YoY	May	--	--	6.30%	--
06/17/2024 10:00	Retail Sales YoY	May	--	--	2.30%	--
06/17/2024 10:00	Retail Sales YTD YoY	May	--	--	4.10%	--

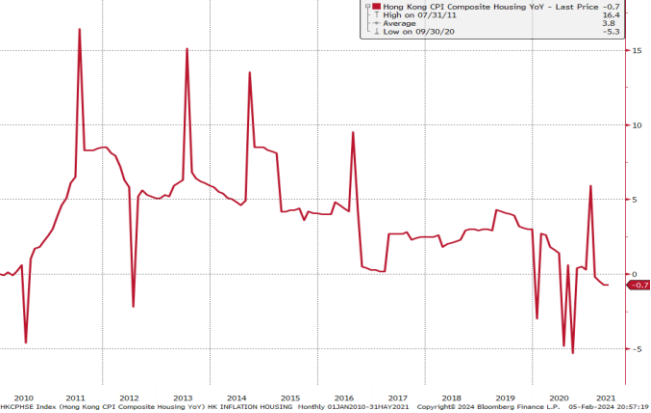
Hong Kong GDP Y on Y



Hong Kong Unemployment Rate



Hong Kong Housing Inflation



(Source: Bloomberg)

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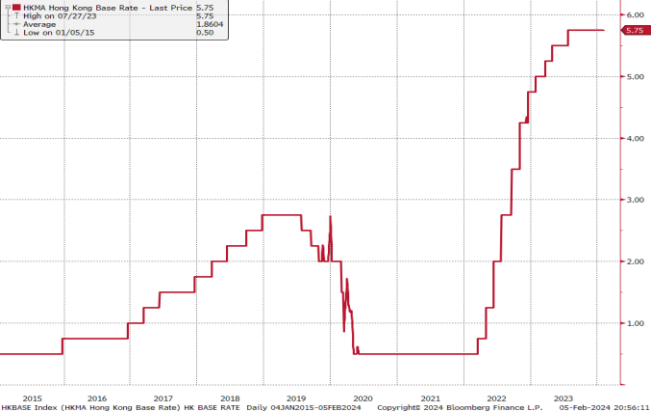
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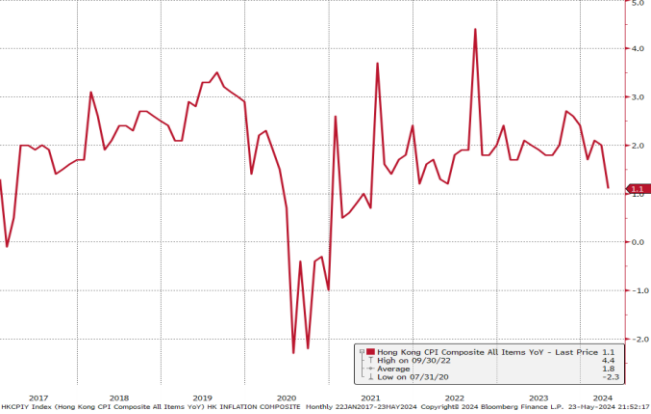
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Hong Kong Base Interest Rate



Hong Kong Composite Inflation



Hong Kong Retail Sale Value Y on Y

