

Fundamentals:

Hong Kong stocks gained after soft US inflation data and projections of more interest rate cuts by the Federal Reserve lifted sentiment and European Commission's milder-than-expected tariffs on Chinese electric vehicles provided relief to the sector.

The Hang Seng Index rose 1 per cent to 18,112.63 at the close. It snapped a three-day losing streak, rebounding from the six week-lows stuck on Wednesday. The Hang Seng Tech Index gained 1.3 per cent but the Shanghai Composite Index dipped 0.3 per cent.

The S&P 500 index notched another record overnight to top 5,400 for the first time after the Federal Reserve's dot plot projection indicated four interest rate cuts in 2025, more than the three previously outlined. Sentiment also got a lift from official data that showed US core consume price index (CPI) increased at its slowest pace in more than three years in May.

"Soft CPI puts the Fed back in the driver's seat to steer towards a precautionary cut later this year to ensure recession remains remote," said Ashwin Alankar, head of global asset allocation at Janus Henderson Investors. "Softness is supportive of a pre-emptive cut rather than a pivot in Fed policy towards accommodation."

QuantumPharm, also known as XtalPi which is based in Shenzhen city, Guangdong province. Its shares jumped from its initial public offering price on the first day of trading in Hong Kong. Photo: XtalPi Hong Kong's monetary authority kept the city's base rate unchanged in sync with the US rate decision overnight. It has followed the Fed's monetary policy in lockstep since 1983 under its linked exchange rate system designed to peg the local currency to the US dollar.

Chinese electric-vehicle makers rallied after the prolonged overhang of EU tariff hikes was removed. "The magnitude of the tariff hike is in line with expectations, and in our view, will not hinder most, if not all, China EV makers, from making inroads in Europe," said Jefferies analysts in a note after the decision.

BYD, the nation's fourth-largest exporter of electric cars to Europe rallied 5.8 per cent to HK\$232.80 and affiliate BYD Electronic climbed 3.9 per cent to HK\$37.50. Geely Automobile Holdings, the largest such exporter, added 1.7 per cent to HK\$9.05 and Li Auto gained 2 per cent to HK\$74.40.

"The move is modest compared with the stiff 100 per cent tariffs on Chinese EV imports into the US," said Vincent Sun, an analyst at Morningstar. "Chinese producers are still competitive compared with their rivals. With additional tariffs, Chinese cars are at similar prices, but with more attractive designs and vehicle technology."

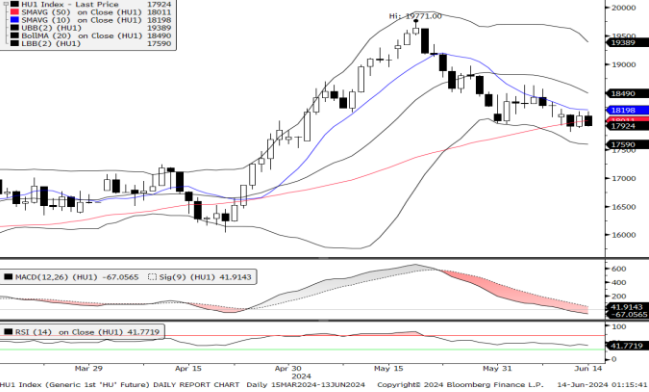
"If another two or three companies worth HK\$20 billion to HK\$30 billion succeed in their IPOs and their stocks perform well, that will definitely help the overall market," said KGI Asia's head of investment strategy Kenny Wen.

Other major Asian markets mostly advanced. South Korea's Kospi rose 1 per cent and Australia's S&P/ASX 200 added 0.4 per cent, but Japan's Nikkei 225 slipped 0.5 per cent.

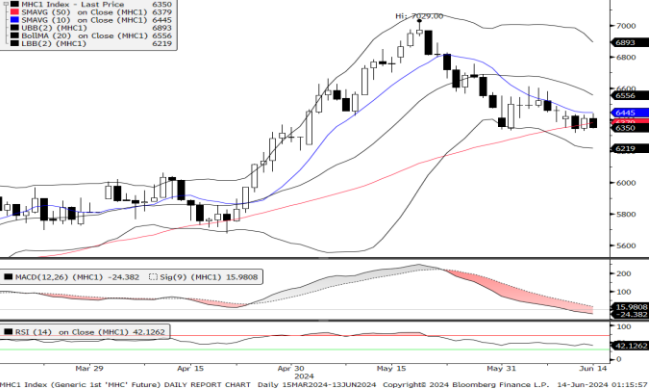
(Source: South China Morning Post)

HONG KONG INDEX FUTURES DAILY PREVIEW
Date Prepared : 14/Jun/2024

Mini Hang Seng Futures Daily Chart



Mini Hang Seng China Enterprise Futures Daily Chart



Contracts	Chg	Sett	High	Low
H. SENG FUT JUN 24	175	18091	18166	17880
H. SENG FUT JUL 24	166	17974	18040	17776
H. SENG FUT SEP 24	166	17963	18000	17780
H. SENG FUT DEC 24	165	18121	18169	17998
MINI H. SENG FUT JUN 24	175	18091	18167	17880
MINI H. SENG FUT JUL 24	166	17974	18052	17774
MINI H. SENG FUT SEP 24	166	17963	18040	17770
MINI H. SENG FUT DEC 24	165	18121	18200	17980
HSCEI FUT JUN 24	68	6410	6432	6327
HSCEI FUT JUL 24	66	6338	6360	6262
HSCEI FUT SEP 24	63	6335	6348	6267
HSCEI FUT DEC 24	64	6397	6400	6347
MINI HSCEI FUT JUN 24	68	6410	6431	6328
MINI HSCEI FUT JUL 24	66	6338	6357	6258
MINI HSCEI FUT SEP 24	63	6335	6343	6289
MINI HSCEI FUT DEC 24	64	6397	6419	6351

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	56.6	0.3	57.75	56.35
**Tencent Holdings Ltd	379.8	9	380.6	373.6
*HSBC Holdings PLC	67.9	-0.25	68.15	67.4
**China Construction Bank Corp	5.51	0.02	5.52	5.45
**Ping An Insurance Group	36.5	-0.15	37.55	36.2
**Meituan	116.7	4.1	116.9	112.3
*Hong Kong Exchanges & Clearing Ltd	264	1.4	267.2	262.2
**Alibaba Group Holdings Ltd	74.5	0.35	75.35	73.7
**Xiaomi Corp	17.56	0.42	17.62	17.22
**ICBC	4.32	0	4.35	4.28

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	12.28	-0.26	12.84	11.92
**China Mobile Ltd	74.35	0.8	74.95	73.4
**Bank of China Ltd	3.73	0.03	3.74	3.69
*Techtronic Industries Co Ltd	98.35	3.95	99.6	97.25
*CK Hutchison Holdings Ltd	37.35	-0.15	37.9	37.1
*Link REIT	32.65	0.4	32.9	32.4
*CLP Holding Ltd	66.25	1.3	66.4	65.4
**Geely Automobile Holdings Ltd	9.05	0.15	9.31	8.96
**CNOOC Ltd	21.4	0.26	21.75	21.2
**ANTA Sports Products Ltd	82.05	-0.1	83.5	81.35

Global Equity Indices	Close	Change	High	Low
Hang Seng	18112.63	174.79	18173.5	17971.57
HSCEI	6421.81	62.45	6441.29	6366.3
Shanghai Comp Index	3028.92	-8.549	3040.4	3022.823
Nikkei 225	38720.5	-156.24	39252.4	38689.79
KOSPI	2754.89	26.72	2776.72	2752.61
S&P/ASX200	7749.73	34.219	7777.8	7714
DJIA	38647.1	-65.11	38712.2	38407.7
S&P 500	5433.74	12.71	5441.93	5402.51
NASDAQ	17667.6	59.12	17741.8	17566.32
DAX	18265.7	-365.18	18632	18253.42
CAC	7708.02	-1.99	7858.32	7692.72
FTSE100	8163.67	-51.81	8215.48	8147.44

Technical Analysis

Mini Hang Seng

1st Resistance:	18362	2nd Resistance:	18634
1st Support:	17820	2nd Support:	17548
MACD:	-42.205		
MACD DIFF:	-111.324		
RSI:	44.9823		

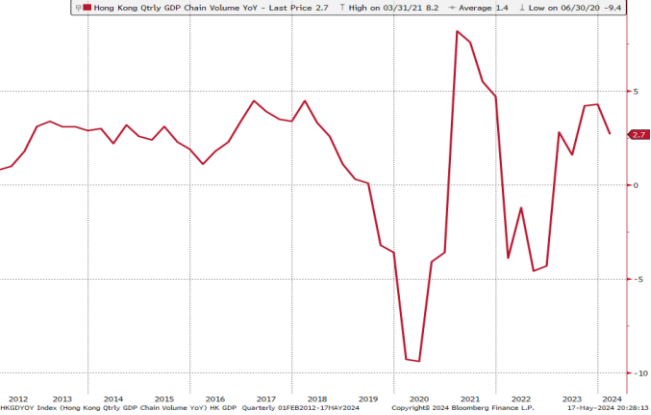
Mini Hang Seng China Enterprise

1st Resistance:	6506	2nd Resistance:	6602
1st Support:	6314	2nd Support:	6218
MACD:	-15.653		
MACD DIFF:	-41.711		
RSI:	45.2595		

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%	--

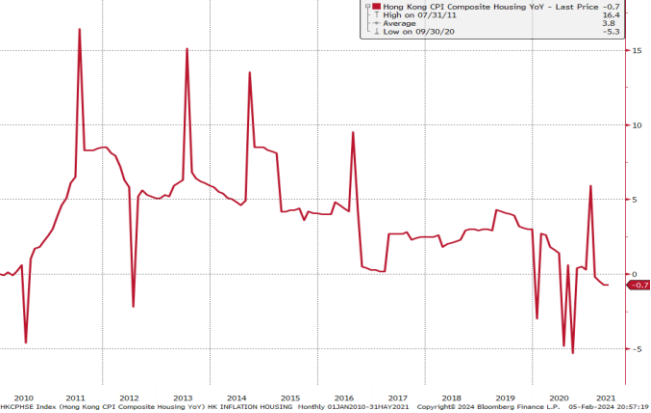
Hong Kong GDP Y on Y



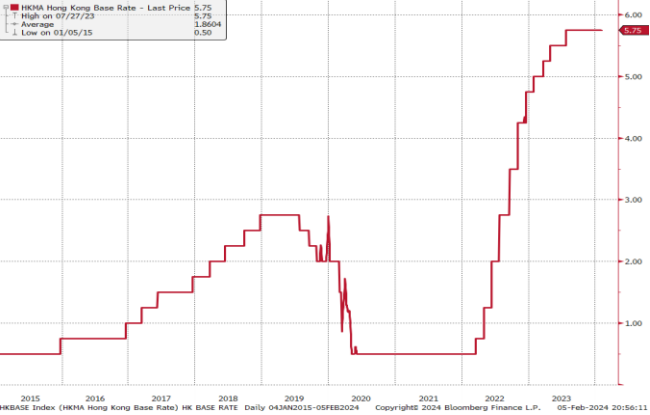
Hong Kong Unemployment Rate



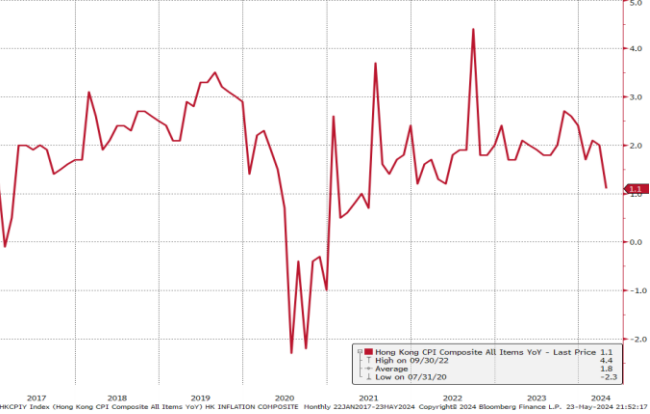
Hong Kong Housing Inflation



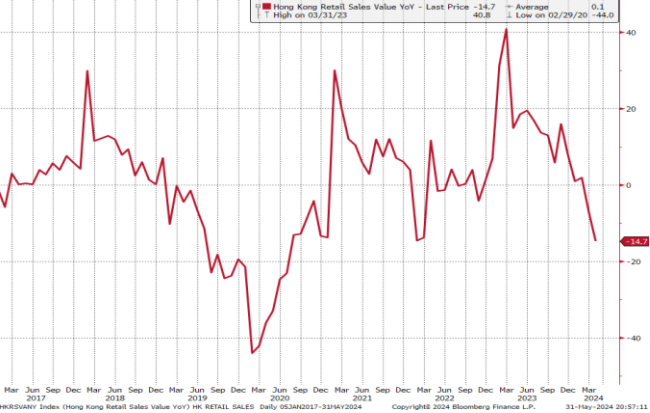
Hong Kong Base Interest Rate



Hong Kong Composite Inflation



Hong Kong Retail Sale Value Y on Y



(Source: Bloomberg)

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