

Fundamentals:

Hong Kong stocks ended flat on Monday, surrendering their gains posted after China's retail data provided a bright spot in an otherwise uninspiring set of economic numbers, with caution also prevailing amid heightened trade tensions with the European Union (EU).

The Hang Seng Index closed virtually unchanged at 17,936.12, following an increase of as much as 2 per cent in morning trade. The Hang Seng Tech Index inched up 0.1 per cent while the Shanghai Composite Index dropped 0.6 per cent.

China's industrial production slowed to 5.6 per cent in May from 6.7 per cent in April, while property investment from January to May tumbled 10 per cent year-on-year compared with the 9.8 per cent drop in the first four months, according to the statistics bureau. Retail sales in May was an outlier with a 3.7 per cent increase, higher than April's 2.3 per cent.

But the boost from retail data proved to be short-lived as analysts said the gains were primarily on account of temporary factors.

"We do not think the recovery in retail sales will be sustained, given fading one-off boosts, a deteriorating labour market, and financially constrained households," said Barclays analysts in a note. "High frequency data also show domestic tourism consumption losing momentum during the Dragon Boat holiday (8-10 June)."

During the afternoon decline, mainland property stocks became one of the main factors dragging down the market, according to Kenny Ng, a strategist at Everbright Securities International. "This reflects the relatively weak performance of fixed asset investment in today's data, in which property investment recorded a 10 per cent drop."

Chinese developer Longfor Group Holdings slipped 3.4 per cent to HK\$11.94.

The People's Bank of China kept the interest rate on the one-year medium-term lending facility unchanged at 2.50%, quashing hopes of monetary easing as the world's second-largest economy grappled with a multi-year property crisis.

"While China has room to cut interest rates to tackle the economic and low inflation challenges, it has opted for a status quo for other policy goals, such as capital outflows and exchange rate stability," said Gary Ng, senior economist at Natixis. "The current policy trajectory may not offer much help to market confidence unless we see lower rates and more demand-side fiscal support."

China's first ranking Vice-Premier Ding Xuexiang will visit the EU on a five-day visit starting on Monday to deepen the green partnership with the bloc, following the EU's announcement last week that it intends to levy extra duties on imported electric vehicles (EV) made in China from July 4.

China Mengniu Dairy added 3 per cent to HK\$13.14, amid speculations China could launch investigations on dairy and pork products imported from EU.

"If China does impose tariff hikes on dairy and pork goods from EU, it will support prices of similar products in the domestic market and benefit related companies such as Yili Industrial Group, Mengniu Dairy, Muyuan Foods and Wens Foodstuff," said Everbright Securities in a report

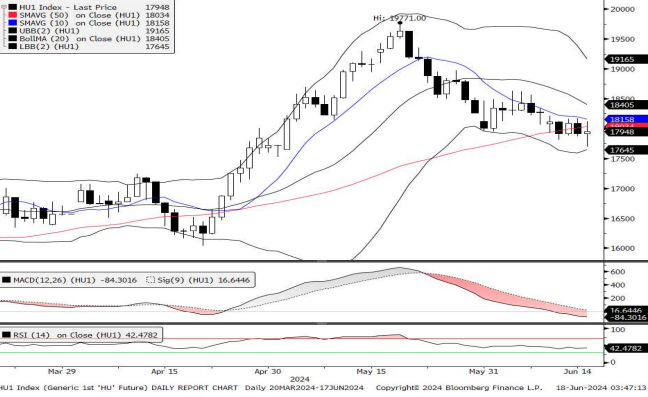
Other major gainers included BYD Electronics, which saw shares jump 6.3 per cent to HK\$39.55. The handset assembler is expected to benefit from its major client Apple's recent artificial intelligence push, according to Hua Chuang Securities' research report on Friday, with net profit seen reaching 5.07 billion yuan this year. The brokerage has a target price of HK\$49.40 for the stock, implying an upside of 25 per cent from the current levels.

Other major Asian markets were broadly lower. Japan's Nikkei 225 lost 1.8 per cent and South Korea's Kospi slid 0.5 per cent, while Australia's S&P/ASX 200 eased 0.3 per cent.

(Source: South China Morning Post)

HONG KONG INDEX FUTURES DAILY PREVIEW  
Date Prepared : 18/Jun/2024

Mini Hang Seng Futures Daily Chart



Mini Hang Seng China Enterprise Futures Daily Chart



Technical Analysis

Mini Hang Seng

1st Resistance:	18217	2nd Resistance:	18486
1st Support:	17679	2nd Support:	17410
MACD:	-84.384		
MACD DIFF:	-100.908		
RSI:	42.4779		

Mini Hang Seng China Enterprise

1st Resistance:	6467	2nd Resistance:	6562
1st Support:	6275	2nd Support:	6180
MACD:	-28.421		
MACD DIFF:	-35.690		
RSI:	43.3225		

Contracts	Chg	Sett	High	Low
H. SENG FUT JUN 24	32	17948	18121	17692
H. SENG FUT JUL 24	32	17831	18000	17591
H. SENG FUT SEP 24	29	17815	17987	17580
H. SENG FUT DEC 24	33	17973	18128	17732
MINI H. SENG FUT JUN 24	32	17948	18120	17694
MINI H. SENG FUT JUL 24	32	17831	18000	17580
MINI H. SENG FUT SEP 24	29	17815	17987	17580
MINI H. SENG FUT DEC 24	33	17973	18138	17719
HSCEI FUT JUN 24	7	6371	6440	6276
HSCEI FUT JUL 24	6	6299	6364	6206
HSCEI FUT SEP 24	7	6298	6352	6222
HSCEI FUT DEC 24	7	6358	6423	6265
MINI HSCEI FUT JUN 24	7	6371	6440	6276
MINI HSCEI FUT JUL 24	6	6299	6365	6208
MINI HSCEI FUT SEP 24	7	6298	6346	6205
MINI HSCEI FUT DEC 24	7	6358	6420	6271

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	55.5	0	56.45	54.5
**Tencent Holdings Ltd	381.2	1.4	385.8	374.8
*HSBC Holdings PLC	67.6	0.45	68	66.85
**China Construction Bank Corp	5.53	0.03	5.55	5.43
**Ping An Insurance Group	36.3	-0.15	36.95	35.7
**Meituan	116.8	2.1	117.7	112.4
*Hong Kong Exchanges & Clearing Ltd	259.4	1.8	262	253.2
*Alibaba Group Holdings Ltd	72.5	-0.3	73	71.15
**Xiaomi Corp	17.32	0.02	17.64	17.06
**ICBC	4.33	-0.01	4.39	4.27

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	11.9	0.16	12.16	11.46
**China Mobile Ltd	72.6	-0.9	74.6	72.3
**Bank of China Ltd	3.78	0.04	3.82	3.69
*Techtronic Industries Co Ltd	96.35	0.75	97.2	95
*CK Hutchison Holdings Ltd	36.6	-0.25	37.1	36.5
*Link REIT	32.45	-0.15	32.65	32
*CLP Holding Ltd	63.9	-1.5	65	63.7
**Geely Automobile Holdings Ltd	8.87	-0.02	8.99	8.73
**CNOOC Ltd	21.1	-0.2	21.6	21.1
**ANTA Sports Products Ltd	81.05	0	82.8	79.95

Global Equity Indices	Close	Change	High	Low
Hang Seng	17936.12	-5.66	18122.8	17752.96
HSCEI	6373.48	-1.18	6447.17	6305.49
Shanghai Comp Index	3015.89	-16.742	3026.62	3012.045
Nikkei 225	38102.4	-712.12	38442.7	37950.2
KOSPI	2744.1	-14.32	2759.86	2741.03
S&P/ASX200	7700.27	-23.99	7730.1	7698.2
DJIA	38793.6	204.39	38839.9	38431.95
S&P 500	5484	52.4	5488.5	5420.4
NASDAQ	17880.9	192.05	17936	17636.36
DAX	18068.2	66.19	18149.3	17969.54
CAC	7571.57	0.91	7580.94	7482.38
FTSE100	8142.15	-4.71	8187.25	8120.89

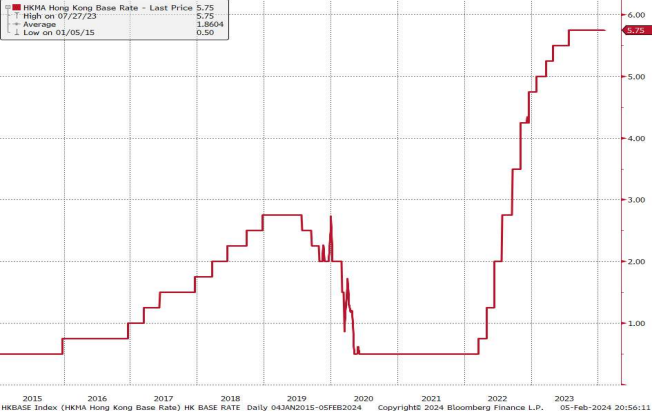
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
05/31/2024 16:30	Retail Sales Volume YoY	Apr	-9.10%	-16.50%	-8.60%	-8.70%
05/31/2024 16:30	Retail Sales Value YoY	Apr	-6.30%	-14.70%	-7.00%	--
05/31/2024 16:30	Money Supply M1 HKD YoY	Apr	--	-9.90%	-11.40%	--
05/31/2024 16:30	Money Supply 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	--	1.20%	2.70%	--
06/14/2024 16:30	Industrial Production YoY	1Q	--	1.80%	4.10%	--
06/20/2024 16:30	Unemployment Rate SA	May	3.00%	--	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	7.10%	7.00%	7.20%	--
06/09/2024 06/15	Money Supply M1 YoY	May	-1.70%	-4.20%	-1.40%	--
06/09/2024 06/15	Money Supply M0 YoY	May	--	11.70%	10.80%	--
06/11/2024 06/18	FDI YTD YoY CNY	May	--	--	-27.90%	--
06/12/2024 09:30	PPI YoY	May	-1.50%	-1.40%	-2.50%	--
06/12/2024 09:30	CPI YoY	May	0.40%	0.30%	0.30%	--
06/17/2024 10:00	Industrial Production YoY	May	6.20%	5.60%	6.70%	--
06/17/2024 10:00	Industrial Production YTD YoY	May	6.30%	6.20%	6.30%	--
06/17/2024 10:00	Retail Sales YoY	May	3.00%	3.70%	2.30%	--
06/17/2024 10:00	Retail Sales YTD YoY	May	3.90%	4.10%	4.10%	--

Hong Kong GDP Y on Y



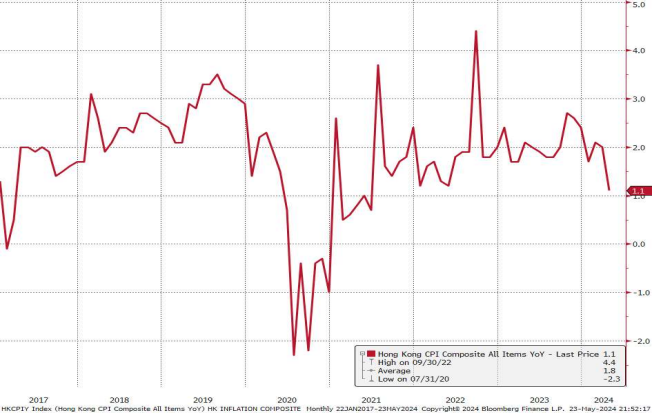
Hong Kong Base Interest Rate



Hong Kong Unemployment Rate



Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

Kenanga Futures Sdn Bhd (353603-X)

Dealing Desk: (603) 2172 3820 Fax: (603) 2172 2729 Email: futures@kenanga.com.my

Disclaimer: This document has been prepared for general circulation based on information obtained from sources believed to be reliable but we do not make any representations as to its accuracy or completeness.

Any recommendation contained in this document does not have regard to the specific investment objectives, financial background and the particular needs of any person who may read this document.

This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement and assessment by addressees in relation to any investment decision.

Kenanga Futures Sdn Bhd accepts no liability whatsoever for any direct or consequential loss arising from any use of this document or any solicitations of an offer to buy or sell any securities/underlying securities.

Kenanga Futures Sdn Bhd and its associates, their directors, and/or employees may have positions in, and may effect transactions in securities/underlying securities mentioned herein from time to time in the open market or otherwise,

and may receive brokerage fees or act as principal or agent in dealings with respect to these companies.