

Fundamentals:

Hong Kong stocks extended gains on optimism that the appetite for Chinese assets was returning after Beijing pledged support to markets and signs of an earnings recovery emerged, with investors looking past potential US-China tensions even as President Joe Biden signed into law a bill that will force a divestment in video-sharing platform TikTok.

The Hang Seng Index rose 0.5 per cent to a five-month high of 17,284.54 at close. The Hang Seng Tech Index slipped 0.5 per cent, while the Shanghai Composite Index added 0.3 per cent.

The gain in Hong Kong stocks bucked the regional trend, as other markets reacted to the sell-off in US stocks overnight on the back of the disappointing outlook projected by Facebook parent Meta Platforms. Japan's Nikkei 225 slid 2.2 per cent and South Korea's KOSPI retreated 1.8 per cent, while Taiwan's TaieX dropped 1.4 per cent.

"Hong Kong's market is a pretty safe bet, as the economy, corporate earnings and liquidity may have already trothed," said Cliff Zhao, a strategist at CCB International in Hong Kong. "Some overseas funds seeking trading opportunities have also returned to Chinese and Hong Kong stocks and that will further boost sentiment."

The Hang Seng Index has erased all its year-to-date losses after China's securities regulator vowed more liquidity-boosting measures by adding more exchange-traded funds to the Stock Connect investment scheme and facilitating listings of high quality domestic companies. Upbeat earnings from Ping An insurance and HKEX this week has further fuelled buying interest.

Property developer China Overseas Land and Investment jumped 6.3 per cent to HK\$12.90 after posting a surprise 22 per cent increase in operating profit in the first quarter. Hong Kong Exchanges and Clearing added 3.3 per cent to HK\$246.80, rising for a second day after profit for the first three months exceeded estimates.

Global investors have increased their allocation to China, dialling back their bearish bets on the market, while cutting exposures to Taiwan and India, according to HSBC Holdings.

"GEM [global emerging markets] funds have rolled back on their underweight on mainland China and turned neutral, while Asia's funds exposure on the market is now at a seven-month high," Herald van der Linde, a strategist at the bank, said in a research note on Thursday.

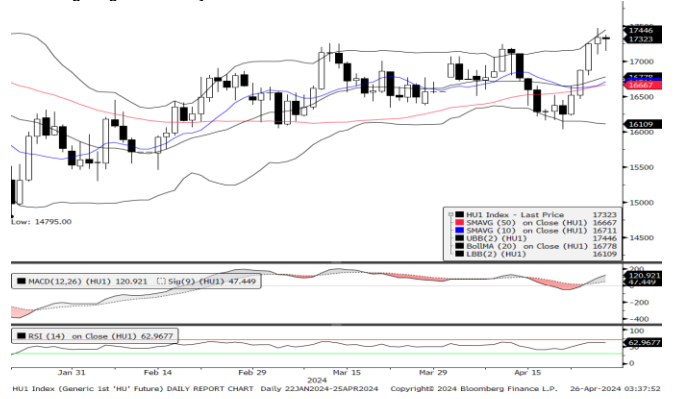
Mainland investors have also been piling on Hong Kong in droves, snapping up almost HK\$2 billion (US\$255 million) worth of stocks through the stock connect programme on Thursday as they remained net buyers for 19 days in a row.

Billionaire Li Ka-shing's three listed units all gained after forming a consortium to acquire the largest natural gas network operator in Northern Ireland. CK Asset Holdings added 1.6 per cent to HK\$32.75 and CK Infrastructure Holdings gained 0.7 per cent to HK\$44.65, while Power Assets Holdings climbed 1.7 per cent to HK\$45.65.

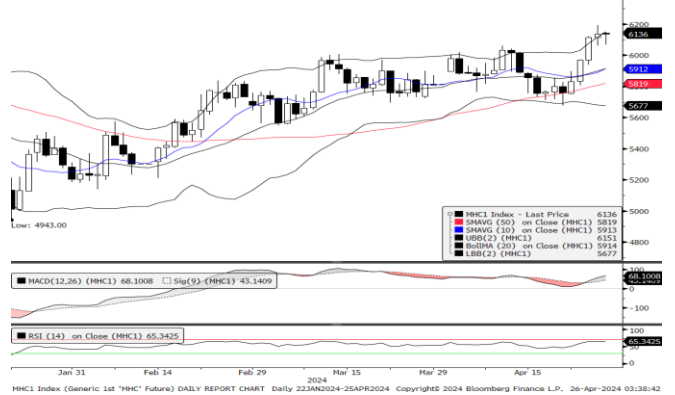
Elsewhere, Great Wall Motor surged 5.4 per cent to HK\$11.82 after the company said its first-quarter profit surged from a year ago and following its pledge to return more to shareholders and improve disclosures. The stock is not a member of the Hang Seng Index.

(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 APR 24	92	17342	17471	17097
H. SENG FUT MAY 24	97	17272	17384	17019
H. SENG FUT JUN 24	93	17200	17309	16938
H. SENG FUT SEP 24	96	17069	17171	16867
MINI H. SENG FUT APR 24	92	17342	17470	17097
MINI H. SENG FUT MAY 24	97	17272	17384	17023
MINI H. SENG FUT JUN 24	93	17200	17312	16960
MINI H. SENG FUT SEP 24	96	17069	17185	16833
HSCEI FUT APR 24	20	6136	6194	6060
HSCEI FUT MAY 24	24	6145	6199	6065
HSCEI FUT JUN 24	20	6106	6141	6000
HSCEI FUT SEP 24	22	6039	6087	5984
MINI HSCEI FUT APR 24	20	6136	6194	6061
MINI HSCEI FUT MAY 24	24	6145	6198	6066
MINI HSCEI FUT JUN 24	20	6106	6154	6031
MINI HSCEI FUT SEP 24	22	6039	6088	5936

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	51.55	1.1	52.15	50.2
**Tencent Holdings Ltd	339.4	-4.8	346.4	336.4
*HSBC Holdings PLC	64.75	0.05	64.9	64.25
**China Construction Bank Corp	4.99	0.06	5.02	4.92
**Ping An Insurance Group	35.25	0.85	35.85	34.25
**Meituan	111.5	-2.1	113.6	109.9
*Hong Kong Exchanges & Clearing Ltd	246.8	7.8	249.6	236
**Alibaba Group Holdings Ltd	73	0.5	74.1	72.05
**Xiaomi Corp	16.6	-0.06	16.7	16.4
**ICBC	4.17	0.03	4.19	4.13

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	12.74	-0.16	13.2	12.6
**China Mobile Ltd	70.8	0.35	70.95	70.3
**Bank of China Ltd	3.49	0.03	3.51	3.45
*Techtronic Industries Co Ltd	106.5	-0.2	107.3	105
*CK Hutchison Holdings Ltd	38.2	0.4	38.3	37.4
*Link REIT	33.9	0.05	34.4	33.55
*CLP Holding Ltd	62.65	0.5	62.9	61.8
**Geely Automobile Holdings Ltd	9.2	0.1	9.35	9.01
**CNOOC Ltd	19	0.28	19.12	18.58
**ANTA Sports Products Ltd	89	-0.35	90.75	88.3

Global Equity Indices	Close	Change	High	Low
Hang Seng	17284.54	83.27	17438.8	17109.57
HSCEI	6120.37	20.15	6183.8	6066.14
Shanghai Comp Index	3052.9	8.078	3060.26	3034.65
Nikkei 225	37628.5	-831.6	38129.5	37604.23
KOSPI	2628.62	-47.13	2656.51	2628.62
S&P/ASX200	0	0	0	0
DJIA	38105.3	-355.6	38157.2	37754.38
S&P 500	5056.51	-15.12	5057.75	4990.58
NASDAQ	15627.9	-84.87	15644.5	15343.91
DAX	17917.3	-171.42	18100.8	17795.96
CAC	8016.65	-0.93	8095.43	7955.51
FTSE100	8078.86	38.48	8105.59	8030.05

Technical Analysis

Mini Hang Seng

1st Resistance:	17602	2nd Resistance:	17862
1st Support:	17082	2nd Support:	16822
MACD:	85.330		
MACD DIFF:	56.2974		
RSI:	63.4738		

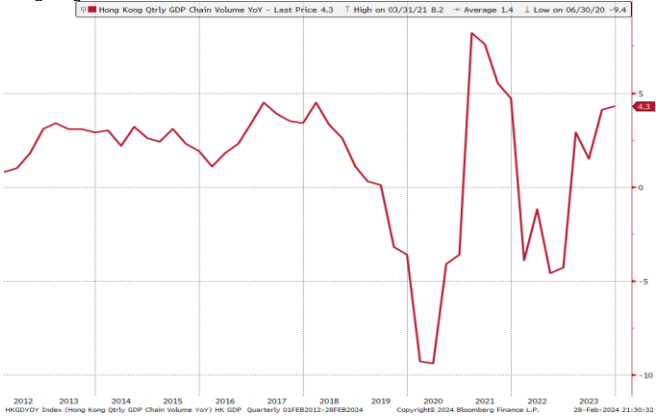
Mini Hang Seng China Enterprise

1st Resistance:	6228	2nd Resistance:	6320
1st Support:	6044	2nd Support:	5952
MACD:	56.036		
MACD DIFF:	19.154		
RSI:	65.3404		

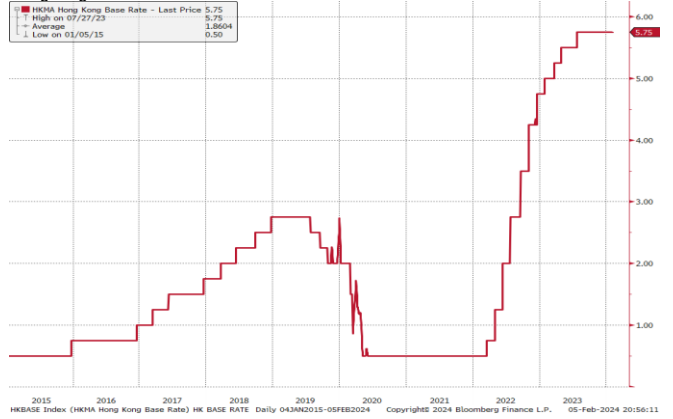
Hong Kong Economic Releases	Period	Survey	Actual	Prior	Revised	
04/25/2024 16:30	Exports YoY	Mar	2.30%	4.70%	-0.80%	--
04/25/2024 16:30	Imports YoY	Mar	2.40%	5.30%	-1.80%	--
04/25/2024 16:30	Trade Balance HKD	Mar	-45.7b	-45.0b	-41.7b	--
04/30/2024 16:30	Budget Balance HKD	Mar	--	--	-22.5b	--
04/30/2024 16:30	Money Supply M1 HKD YoY	Mar	--	--	-10.70%	--
04/30/2024 16:30	Money Supply M2 HKD YoY	Mar	--	--	0.10%	--
04/30/2024 16:30	Money Supply M3 HKD YoY	Mar	--	--	0.10%	--
05/02/2024 16:30	GDP SA QoQ	1Q A	--	--	0.40%	--
05/02/2024 16:30	GDP YoY	1Q A	--	--	0.043	--

China Economic Releases	Period	Survey	Actual	Prior	Revised	
04/16/2024 10:00	GDP YoY	1Q	4.80%	5.30%	5.20%	--
04/16/2024 10:00	GDP SA QoQ	1Q	1.50%	1.60%	1.00%	1.20%
04/16/2024 10:00	GDP YTD YoY	1Q	4.80%	5.30%	5.20%	--
04/16/2024 10:00	Retail Sales YoY	Mar	4.80%	3.10%	--	--
04/16/2024 10:00	Retail Sales YTD YoY	Mar	5.40%	4.70%	5.50%	--
04/16/2024 10:00	Surveyed Jobless Rate	Mar	5.20%	5.20%	5.30%	--
04/16/2024 04/18	FDI YTD YoY CNY	Mar	--	-26.10%	-19.90%	--
04/30/2024 09:30	Composite PMI	Apr	--	--	52.7	--
04/30/2024 09:30	Manufacturing PMI	Apr	--	--	50.8	--
04/30/2024 09:30	Non-manufacturing PMI	Apr	--	--	53	--
04/30/2024 09:45	Caixin China PMI Mfg	Apr	--	--	51.1	--

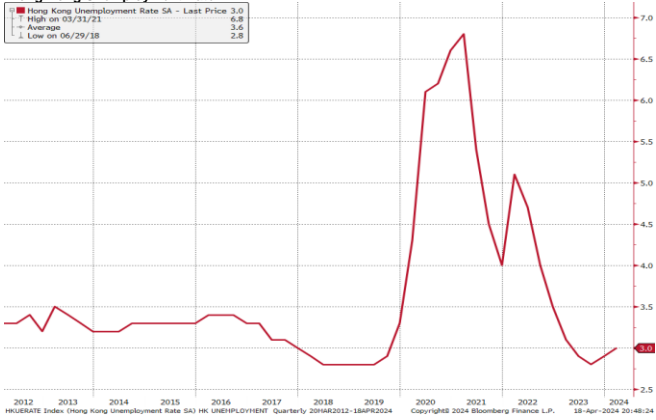
Hong Kong GDP Y on Y



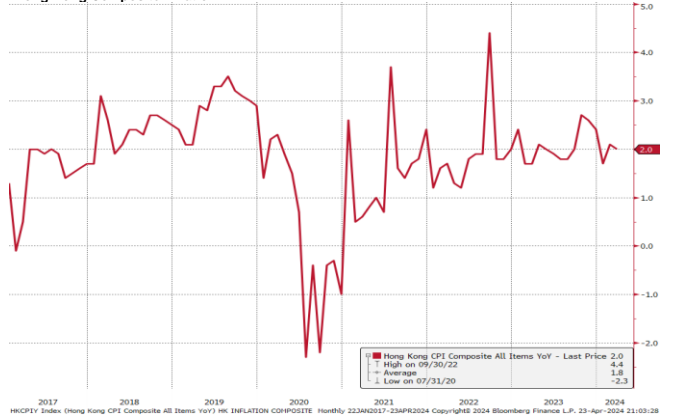
Hong Kong Base Interest Rate



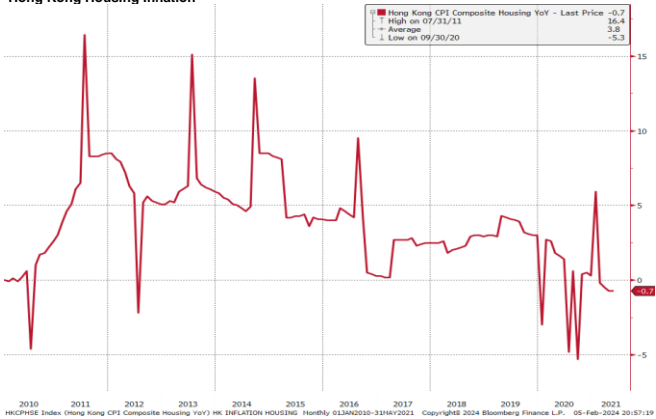
Hong Kong Unemployment Rate



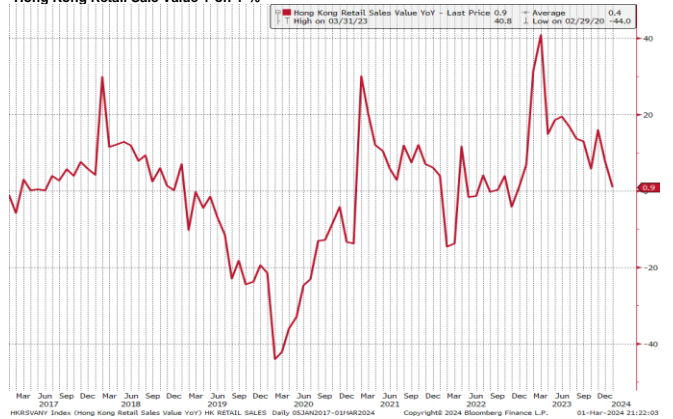
Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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