

Fundamentals:

Hong Kong stocks gave up early gains to fall for a second straight day as investors awaited the release of a key set of economic data which is expected to shed light on the state of China's economic recovery.

The Hang Seng Index lost 0.9 per cent to 18,313.86 on Wednesday, after gaining as much as 0.7 per cent early in the morning trading session. The Tech Index declined 1.3 per cent while the Shanghai Composite Index lost 0.6 per cent.

E-commerce group Alibaba dropped 2.6 per cent to HK\$76.05, food delivery platform Meituan lost 1.5 per cent to HK\$113.80 while Tencent weakened 0.9 per cent to HK\$362.60. Longfor tumbled 7.6 per cent to HK\$11.50 while New World Developments slipped 3.1 per cent to HK\$8.63, leading losses among mainland and local developer.

Today's loss adds to a 0.5 per cent decline on Tuesday, which snapped the benchmark's best run in six years. Sentiment remains cautious as the Hang Seng Index's 14-day relative strength index still hovers around 70, suggesting that the stocks are potentially overbought and are likely to see a decline.

The trade data due on Thursday is expected to show more signs of recovery in the world's second largest economy. Imports are estimated to have expanded 4.7 per cent last month, compared with a 1.9 per cent contraction in March, according to economists' estimates polled by Bloomberg. Exports were projected to register a 1.3 per cent growth after a 7.5 per cent shrinkage in March.

"The Hong Kong stock market may see some divergence and fluctuations after the recent sharp gains," Fang Yi, an analyst at Guotai Junan Securities said in a note on Tuesday. Still, there could be room for the market to rise as uncertainties in China's economy and policies ease, and improving liquidity in global markets will continue to lift up the cheap local shares, he added.

Investors should exercise caution to rotate out of US and Japanese stocks and chase the Chinese rally with headwinds from geopolitical risks, rising bond yields and foreign-exchange markets subsiding, analysts at Morgan Stanley said in a note published today, Hong Kong time.

Other key Asian markets were mixed. Japan's Nikkei 225 tumbled 1.6 per cent, and South Korea's Kospi and Australia's S&P/ASX 200 gained by 0.1 to 0.4 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 | -177 | 18230 | 18552 | 18226 |
| H. SENG FUT JUN 24 | -177 | 18170 | 18490 | 18168 |
| H. SENG FUT SEP 24 | -180 | 18043 | 18350 | 18048 |
| H. SENG FUT DEC 24 | -187 | 18172 | 18482 | 18231 |
| MINI H. SENG FUT MAY 24 | -177 | 18230 | 18554 | 18226 |
| MINI H. SENG FUT JUN 24 | -177 | 18170 | 18492 | 18167 |
| MINI H. SENG FUT SEP 24 | -180 | 18043 | 18370 | 18038 |
| MINI H. SENG FUT DEC 24 | -187 | 18172 | 18500 | 18170 |
| HSCEI FUT MAY 24 | -73 | 6457 | 6592 | 6456 |
| HSCEI FUT JUN 24 | -72 | 6424 | 6559 | 6424 |
| HSCEI FUT SEP 24 | -77 | 6353 | 6482 | 6355 |
| HSCEI FUT DEC 24 | -78 | 6405 | 6414 | 6414 |
| MINI HSCEI FUT MAY 24 | -73 | 6457 | 6592 | 6456 |
| MINI HSCEI FUT JUN 24 | -72 | 6424 | 6558 | 6422 |
| MINI HSCEI FUT SEP 24 | -77 | 6353 | 6459 | 6350 |
| MINI HSCEI FUT DEC 24 | -78 | 6405 | 6530 | 6409 |

| Major HSI Constituent Stocks | Close | Change | High | Low |
|-------------------------------------|-------|--------|-------|-------|
| *AIA Group Ltd | 61.25 | 0 | 61.65 | 60.65 |
| **Tencent Holdings Ltd | 361.4 | -4.4 | 371.8 | 359.8 |
| *HSBC Holdings PLC | 70.35 | 0.65 | 70.7 | 69.8 |
| **China Construction Bank Corp | 5.2 | -0.04 | 5.29 | 5.2 |
| **Ping An Insurance Group | 38.1 | -1.5 | 40.15 | 37.95 |
| **Meituan | 113.5 | -2 | 118.6 | 113.2 |
| *Hong Kong Exchanges & Clearing Ltd | 258 | -8 | 267 | 257.4 |
| **Alibaba Group Holdings Ltd | 76.15 | -1.9 | 78.45 | 75.55 |
| **Xiaomi Corp | 19.1 | 1.16 | 19.32 | 17.84 |
| **ICBC | 4.29 | -0.02 | 4.36 | 4.28 |

| Major HSCEI Constituent Stocks | Close | Change | High | Low |
|---------------------------------|-------|--------|-------|-------|
| *Wuxi Biologics Cayman Inc | 14.12 | -0.3 | 14.64 | 14.06 |
| **China Mobile Ltd | 70.1 | 0.3 | 70.65 | 70 |
| **Bank of China Ltd | 3.58 | 0.01 | 3.6 | 3.57 |
| *Techtronic Industries Co Ltd | 108.3 | -3.5 | 111.6 | 107.5 |
| *CK Hutchison Holdings Ltd | 39.05 | -0.55 | 39.95 | 39 |
| *Link REIT | 34.65 | -0.2 | 35.45 | 34.55 |
| *CLP Holding Ltd | 63.75 | 0.05 | 64.65 | 63.5 |
| **Geely Automobile Holdings Ltd | 9.74 | -0.14 | 9.97 | 9.71 |
| **CNOOC Ltd | 19.82 | 0 | 20.25 | 19.8 |
| **ANTA Sports Products Ltd | 91.55 | -2.4 | 94.9 | 91.4 |

| Global Equity Indices | Close | Change | High | Low |
|-----------------------|----------|---------|---------|----------|
| Hang Seng | 18313.86 | -165.51 | 18606.6 | 18298.36 |
| HSCEI | 6456.72 | -69.95 | 6580.93 | 6450.61 |
| Shanghai Comp Index | 3128.48 | -19.258 | 3144.99 | 3126.173 |
| Nikkei 225 | 38202.4 | -632.73 | 38749.4 | 38159.85 |
| KOSPI | 2745.05 | 10.69 | 2745.05 | 2727.93 |
| S&P/ASX200 | 7804.49 | 11.163 | 7814.9 | 7788.1 |
| DJIA | 39068.9 | 184.63 | 39072.1 | 38814.99 |
| S&P 500 | 5188.59 | 0.89 | 5191.95 | 5165.86 |
| NASDAQ | 16300.5 | -32.08 | 16341.7 | 16226.07 |
| DAX | 18498.4 | 68.33 | 18542.1 | 18427.26 |
| CAC | 8131.41 | 0.69 | 8157.48 | 8089.28 |
| FTSE100 | 8354.05 | 40.38 | 8365.28 | 8313.67 |

Technical Analysis

Mini Hang Seng

| | | | |
|-----------------|---------|-----------------|-------|
| 1st Resistance: | 18503 | 2nd Resistance: | 18777 |
| 1st Support: | 17957 | 2nd Support: | 17683 |
| MACD: | 454.558 | | |
| MACD DIFF: | 121.688 | | |
| RSI: | 67.3875 | | |

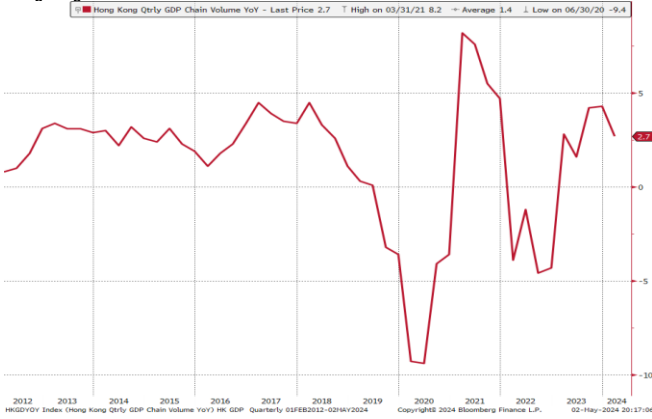
Mini Hang Seng China Enterprise

| | | | |
|-----------------|---------|-----------------|------|
| 1st Resistance: | 6554 | 2nd Resistance: | 6651 |
| 1st Support: | 6360 | 2nd Support: | 6263 |
| MACD: | 182.448 | | |
| MACD DIFF: | 39.909 | | |
| RSI: | 67.7132 | | |

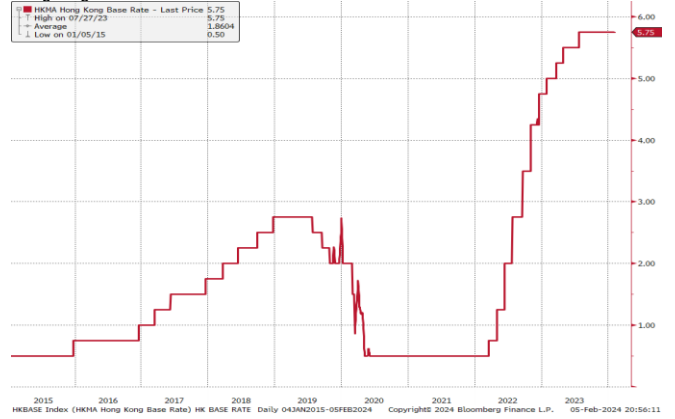
| Hong Kong Economic Releases | | Period | Survey | Actual | Prior | Revised |
|-----------------------------|--------------------------|--------|--------|----------|----------|---------|
| 04/30/2024 16:30 | Budget Balance HKD | Mar | -- | 18.1b | -22.5b | -- |
| 04/30/2024 16:45 | Money Supply M1 HKD YoY | Mar | -- | -11.40% | -10.70% | -- |
| 04/30/2024 16:45 | Money Supply M3 HKD YoY | Mar | -- | -0.40% | 0.10% | -- |
| 04/30/2024 16:45 | Money Supply M2 HKD YoY | Mar | -- | -0.40% | 0.10% | -- |
| 05/02/2024 16:30 | GDP SA QoQ | 1Q A | 0.90% | 2.30% | 0.40% | 0.20% |
| 05/02/2024 16:30 | GDP YoY | 1Q A | 0.80% | 2.70% | 4.30% | -- |
| 05/03/2024 16:30 | Retail Sales Volume YoY | Mar | -- | -3.60% | -8.60% | 0.50% |
| 05/03/2024 16:30 | Retail Sales Value YoY | Mar | 0.90% | -7.00% | 1.90% | -- |
| 05/06/2024 08:30 | S&P Global Hong Kong PMI | Apr | -- | 50.6 | 50.9 | -- |
| 05/07/2024 16:30 | Foreign Reserves | Apr | -- | \$416.4b | \$423.6b | -- |

| China Economic Releases | | Period | Survey | Actual | Prior | Revised |
|-------------------------|-----------------------------|--------|--------|--------|----------|---------|
| 05/09/2024 | Exports YoY | Apr | -- | -- | -7.50% | -- |
| 05/09/2024 | Imports YoY | Apr | -- | -- | -1.90% | -- |
| 05/09/2024 | Trade Balance | Apr | -- | -- | \$58.55b | -- |
| 05/09/2024 | Exports YoY CNY | Apr | -- | -- | -3.80% | -- |
| 05/09/2024 | Imports YoY CNY | Apr | -- | -- | 2.00% | -- |
| 05/09/2024 05/15 | Money Supply M2 YoY | Apr | -- | -- | 8.30% | -- |
| 05/09/2024 05/15 | Money Supply M1 YoY | Apr | -- | -- | 1.10% | -- |
| 05/09/2024 05/15 | Money Supply M0 YoY | Apr | -- | -- | 11.00% | -- |
| 05/10/2024 | BoP Current Account Balance | 1Q P | -- | -- | \$56.2b | -- |
| 5/11/2024 | PPI YoY | Apr | -2.30% | -- | -2.80% | -- |
| 5/11/2024 | CPI YoY | Apr | 0.20% | -- | 0.10% | -- |

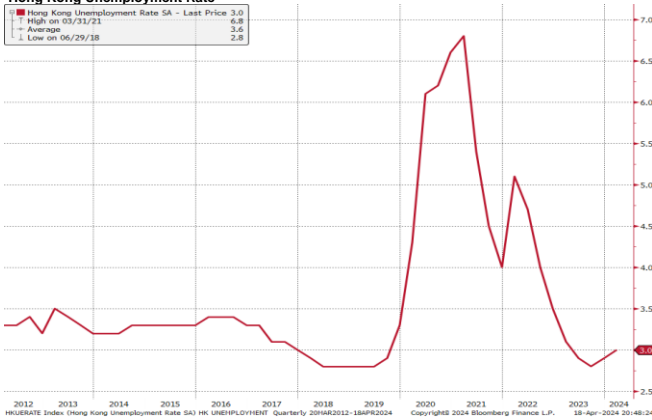
Hong Kong GDP Y on Y



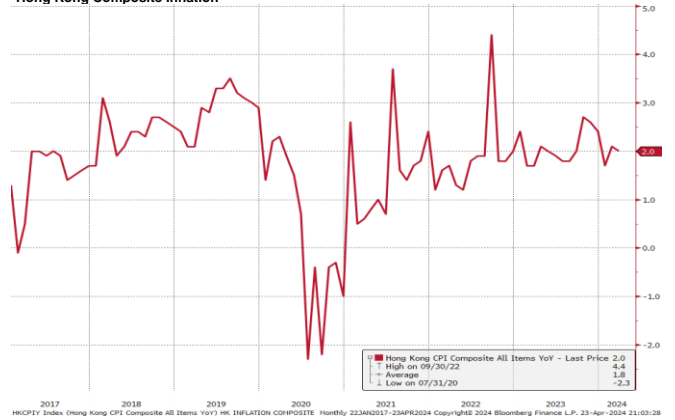
Hong Kong Base Interest Rate



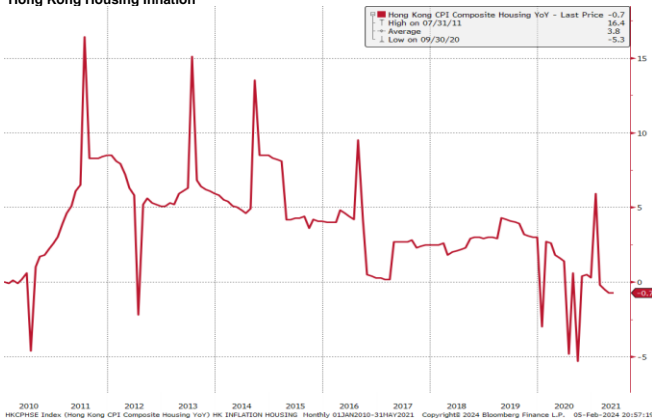
Hong Kong Unemployment Rate



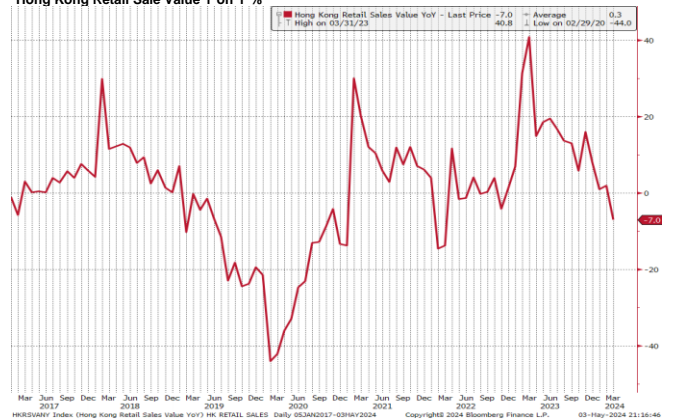
Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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