

HANG SENG INDEX

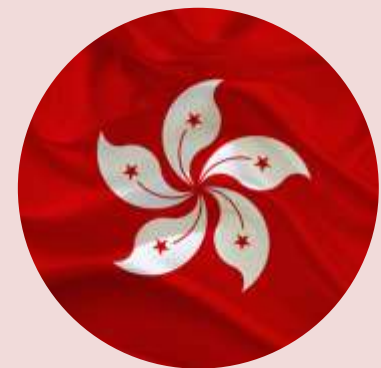


What is Hang Seng Index?



It tracks the performance of 83 Hong Kong companies.

The benchmark of the Hong Kong stock market.



Grouped into four sectors:

- Finance
- Utilities
- Properties
- Commerce and Industry Sub-Indexes.

Top 5 Industries in Hang Seng Index*



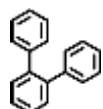
Financial

32.91%



Consumer Discretionary

28.44%



Information Technology

15.93%



Energy

4.87%

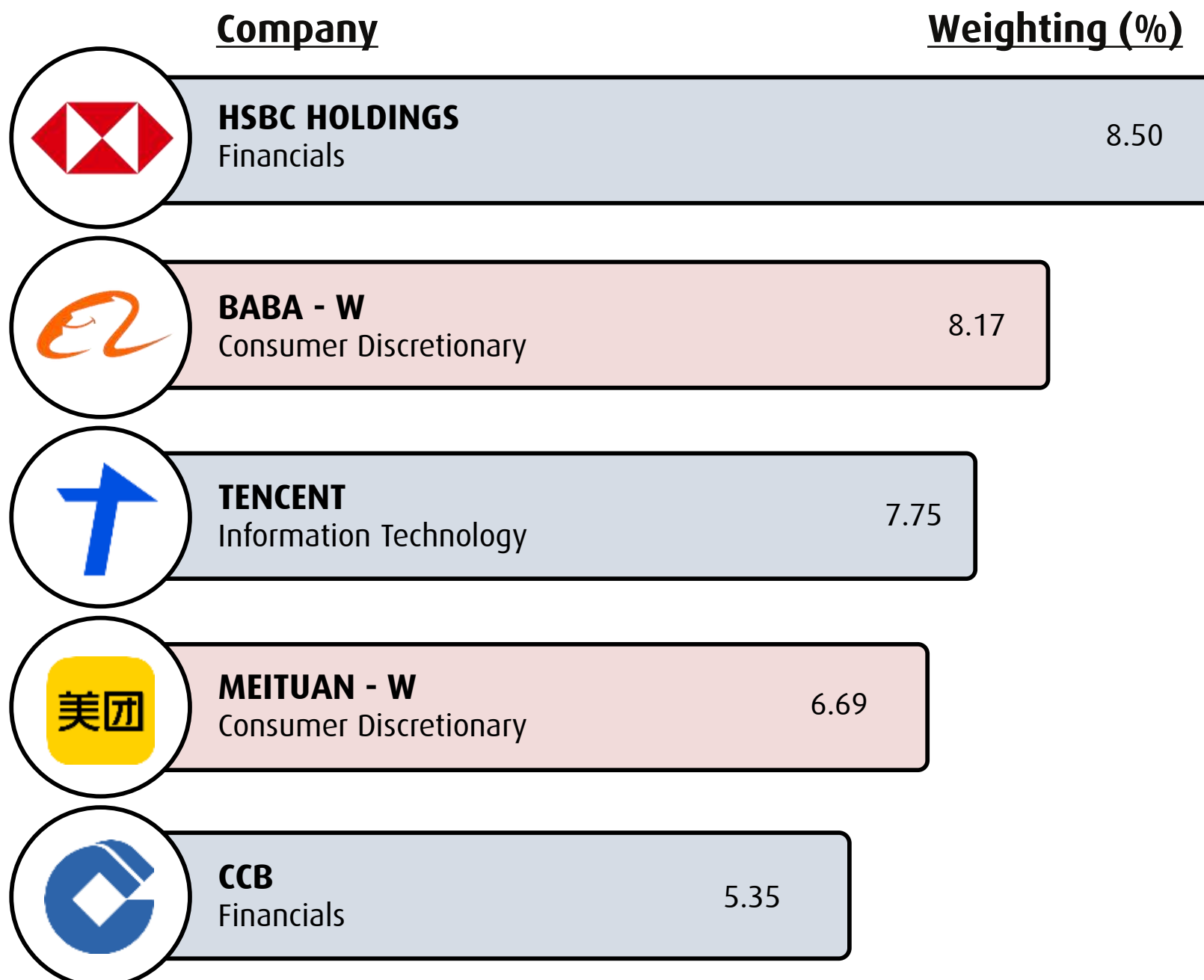


Telecommunications

3.99%

*As of January 2025

Top 5 Companies in Hang Seng Index*



*As of January 2025

What is Hang Seng Index Futures?



A futures contract which underlying is the Hang Seng Index.

Can be traded on the Hong Kong Stock Exchange (HKEX).

Allows traders to trade the performance of the Hang Seng Index without buying the underlying stocks.

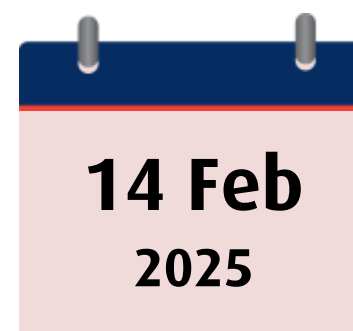
Contract Specifications

	Hang Seng Index Futures	Mini Hang Seng Index Futures
Underlying Instrument	Hang Seng Index	
Contract Code	HSI	MHI
Contract Size	HK\$50 per index point	HK\$10 per index point
Minimum Fluctuation	1 pt = HK\$50	1 pt = HK\$10
Contract Month	Spot, next three calendar month & next three calendar quarter months The three months of June and December plus the next three months of December	Spot, next calendar month, & next two calendar quarter months
Settlement Method	Cash	

Trading Examples



You think the price of MHI
will go up and
BUY 1 lot@20,318



The market is bullish and you
want to close position. You
SELL 1 lot@22,704

Gross Profit

$$\begin{aligned} &= \text{Price difference} \times \text{Contract size} \\ &= (22,704 - 20,318) \times \text{HK\$}10 \\ &= \text{HK\$ } 23,860 \text{ (~RM } 13,633) \end{aligned}$$

Factors Affecting Hang Seng Index

Economic Indicators



Inflation rates, GDP growth and changes in the monetary policy by the Hong Kong Monetary Authority can influence market sentiment.

E.g., China's Purchasing Managers' Index (PMI) figures can heavily influence the Hang Seng Index.

Factors Affecting Hang Seng Index

Company Earnings



The performance of the companies listed on the Hang Seng Index will affect the index itself.

E.g., In February 2025, the Hang Seng Index reached a new high, driven by significant gains in tech stocks like Tencent due to the launch of DeepSeek.

Factors Affecting Hang Seng Index

Interest Rate



Changes in interest rate will affect the attractiveness of equities and the cost of borrowing.

E.g., The index will decline when the interest rate increases.

Factors Affecting Hang Seng Index

Political Events



Any political events happen locally and internationally will impact the market confidence.

E.g., In 2024, the U.S. election and Beijing policy uncertainty made investors less confident in China.

Hang Seng Index Futures in 2024



The reduction of the reserve requirement ratio (RRR) for all banks by 50 basis point provided the market with 1 trillion yuan of long-term liquidity.

The two biggest constituents of the Hang Seng Index, Alibaba and Tencent unveiled stock buy-backs that brought the index up.

China's GDP grew 5.3% in the first quarter due to robust growth in high-tech manufacturing.

Hang Seng Index Futures in 2024



The worsen geopolitical tensions between China and the West caused the index to decline.

There were also concerns about corporate earnings and recent pay cuts in the financial services sector.

The index plummeted due to fears of a recession in the U.S., with investors worrying that the Federal Reserve was slow to cut interest rates.

Hang Seng Index Futures in 2024



The tech giants in the Hong Kong market reported strong earnings, driving the index up.

The Reserve Requirement Ratio (RRR) was reduced by 50 basis point and the lending rates on existing mortgage was also lowered.

Hang Seng Index Futures in 2024



China's absence of new stimulus and few details on the policy measures left investors dissatisfied.

The geopolitical tensions between the U.S. and China also affected the index.



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