



2024 Year-end Market Report

Hang Seng Index Saw First Yearly Increase in Five Years

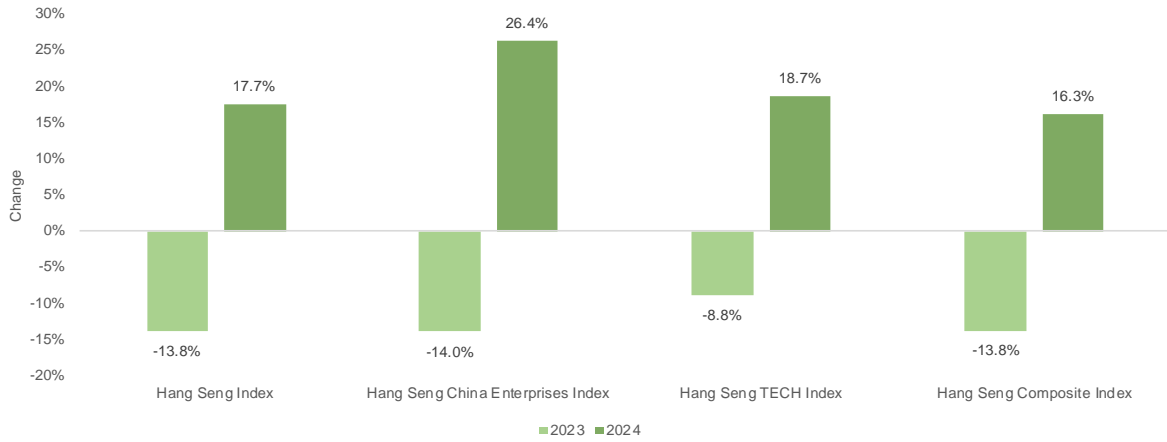
Highlights of Key Indexes Performance

- In 2024, the Hong Kong stock market represented by the Hang Seng Index (HSI) posted its first yearly increase since 2019. Following a year-to-date low in the first quarter, the market rebounded and climbed to its highest level in more than two and a half years, before giving up some ground. The market rally came amidst various factors, including mainland China's supportive policies, and U.S. Federal Reserve's rate cuts. In 2024, the HSI increased by 17.7%, while the Hang Seng China Enterprises Index (HSCEI) and the Hang Seng TECH Index (HSTECH) outperformed with increases of 26.4% and 18.7% respectively. For mainland-listed and cross-market indexes, the Hang Seng HKEX Stock Connect China Enterprises Index and the Hang Seng Stock Connect China A 300 Index (HSCA300) advanced by 23.7% and 14.3% respectively.
- The HSI Volatility Index (VHSI) and the HSCEI Volatility Index (VHSCEI) reached their year-to-date peaks in early October, as the Hong Kong stock market surged to the highest level in recent years.
- Within the Hang Seng Composite Index (HSCI), large-cap stocks increased by 18%, outperforming mid-cap (+11%) and small-cap (-0.1%). Among the HSCI industry sub-indexes, Information Technology was the best-performing industry, with an increase of 43.3%, while Healthcare fared the worst and fell by 20.1%.
- The HSI Low Carbon Index jumped by 19.1%, compared to HSI's 17.7%. For China A ESG indexes, the Hang Seng (China A) Corporate Sustainability Index, the Hang Seng Stock Connect China A ESG 50 Index, and the Hang Seng Stock Connect China A 300 ESG Index increased by 20.9%, 20.2% and 19.2% respectively, outperforming the HSCA300's 14.3% increase.
- The Hang Seng Stock Connect Greater Bay Area Composite Index increased by 15.7%. For the sub-indexes that measure performance by Region, Industry, Theme, and Factor & Strategy, the respective outperformers were Shenzhen-Dongguan-Huizhou (+23.5%), Financials (+23.8%), New Economy (+19.3%), and Quality Growth (+23.4%).
- For thematic indexes, the Hang Seng SCHK Banks & Insurance Index (+29.2%) and the Hang Seng Stock Connect China New Infrastructure Index (+27.5%) were the outperformers among the Hong Kong listed market and the Mainland-listed / Cross-Market respectively.
- Among the Hang Seng Large-Mid Cap Single Factor Indexes, the top-performing index is Value (+20.4% in Comprehensive Series). Among the Hang Seng China A Single Factor Indexes, the top-performing index is Momentum (+13.8% in Comprehensive Series).
- As at the end of 2024, assets under management ('AUM') in products passively tracking indexes in the Hang Seng Family of Indexes was about US\$75.6 billion (+14.7%). AUM in exchange-traded products linked to the HSI, HSCEI and HSTECH were US\$23.6 billion (+13%), US\$5.1 billion (-6.3%) and US\$19.6 billion (+20.6%) respectively.



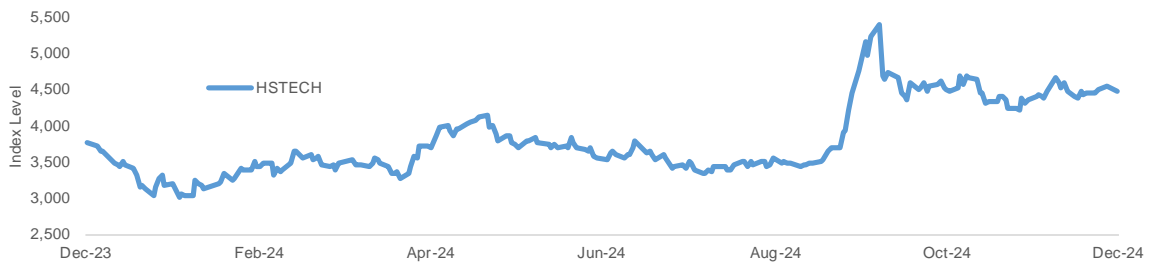
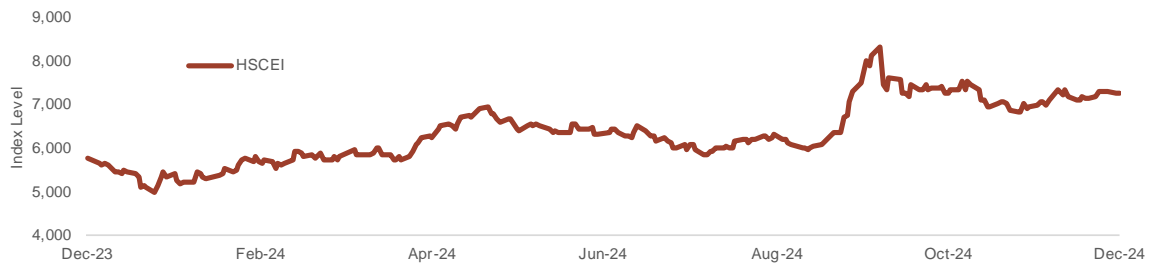
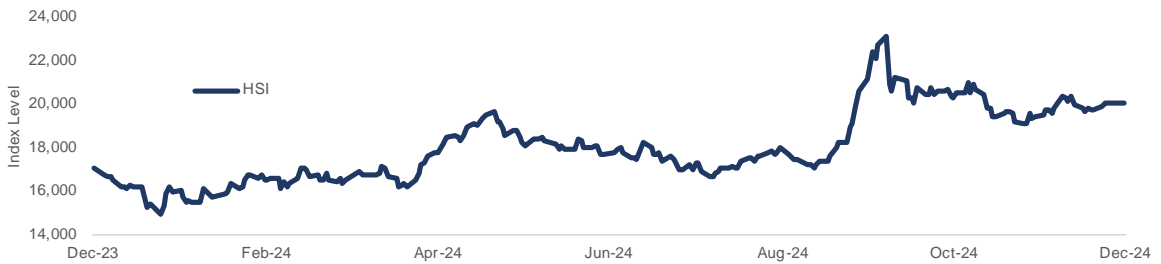
Hong Kong-Listed

Major Indexes



HSI, HSCEI and HSTECH

- HSI increased by 17.7% in 2024 after falling by 13.8% in 2023.
- HSCEI outperformed HSI, with an annual increase of 26.4%.
- HSTECH posted an increase of 18.7% in 2024.



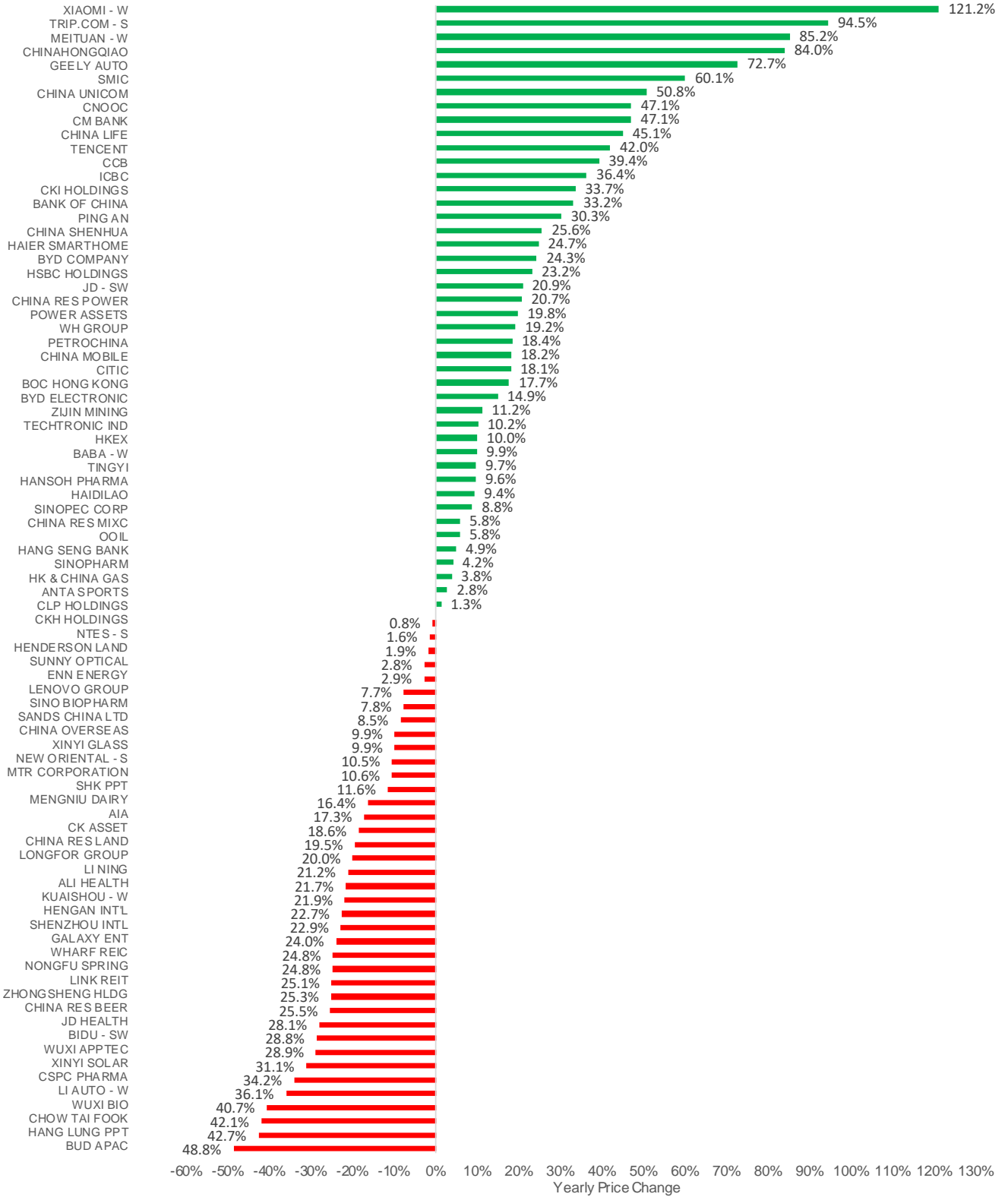
Index	Closing High	Closing Low	Closing Index	Yearly Change		PE Ratio (Times)	Dividend Yield	Dividend Point Index*
				Points	%			
HSI	23,100	14,961	20,060	3,013	17.7%	11.8	3.6%	786.7
HSCEI	8,331	5,002	7,290	1,521	26.4%	10.7	3.4%	252.9
HSTECH	5,386	3,006	4,468	704	18.7%	35.8	0.8%	--

*As of 30 Dec 2024



HSI Constituents

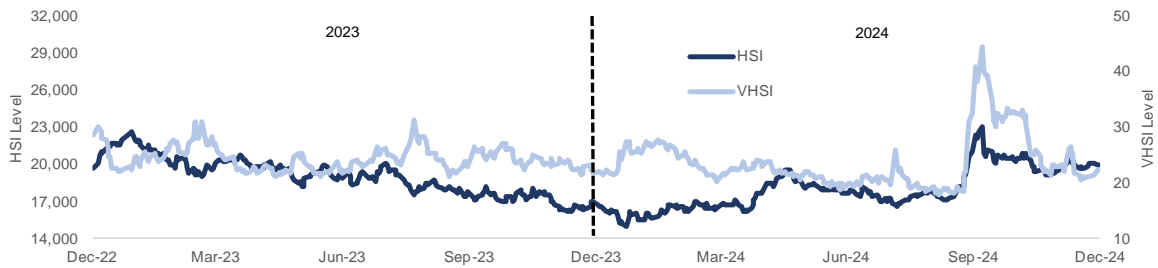
- Among the 83 current HSI constituents, 44 rose in 2024. Xiaomi (1810.HK), Trip.com (9961.HK), Meituan - W (3690.HK) were the best performers, with yearly increases of 121.2%, 94.5% and 85.2%.



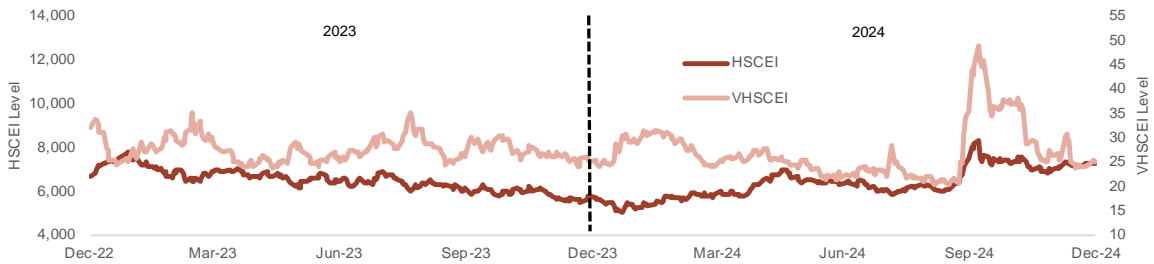


Volatility Indexes

- The differences between the peak and trough of the HSI and the HSCEI were 8,139pts and 3,329pts respectively, with the peak-to-trough spreads of both indexes higher than that of 2023 (HSI: 6,487pts; HSCEI: 2,285pts).
- The HSI Volatility Index (VHSI) and the HSCEI Volatility Index (VHSCEI), which measure the 30-calendar-day expected volatility of the HSI and the HSCEI respectively, both reached their highest levels since March 2023 in October 2024, with the VHSI exceeding 40 at the time.
- The VHSI and the VHSCEI reached their highest levels (VHSI: 44.5; VHSCEI: 48.96) in the year on 7 Oct 2024, while the lowest levels (VHSI: 18; VHSCEI: 20.3) were observed on 5 Sep 2024.



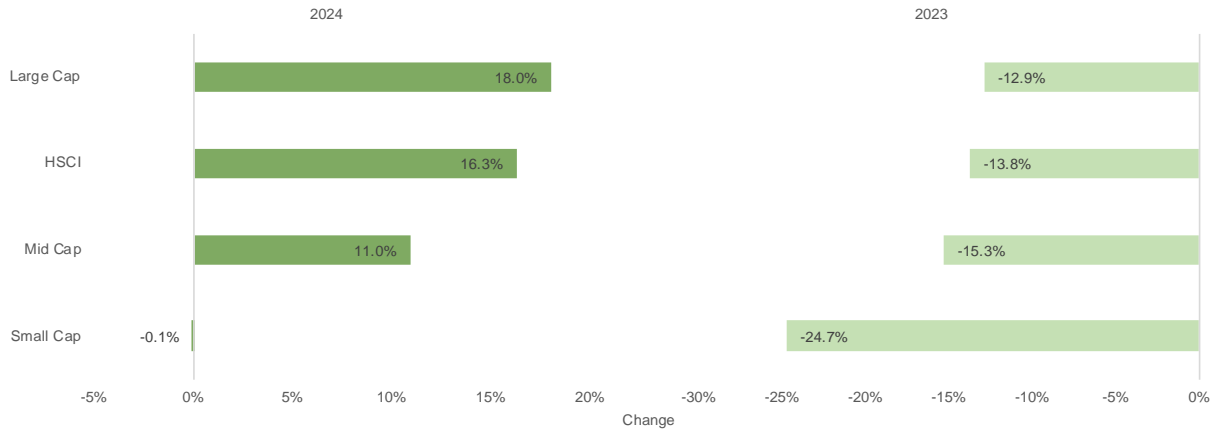
- Similar movement was observed for the HSCEI Volatility Index (“VHSCEI”).





Hang Seng Composite Index (HSCI) - Size Indexes

- Within HSCI Size Indexes, Large-cap outperformed with an increase of 18%.
- Small Cap was the worst-performing category with a decline of 0.1%, following a decline of 24.7% in 2023.

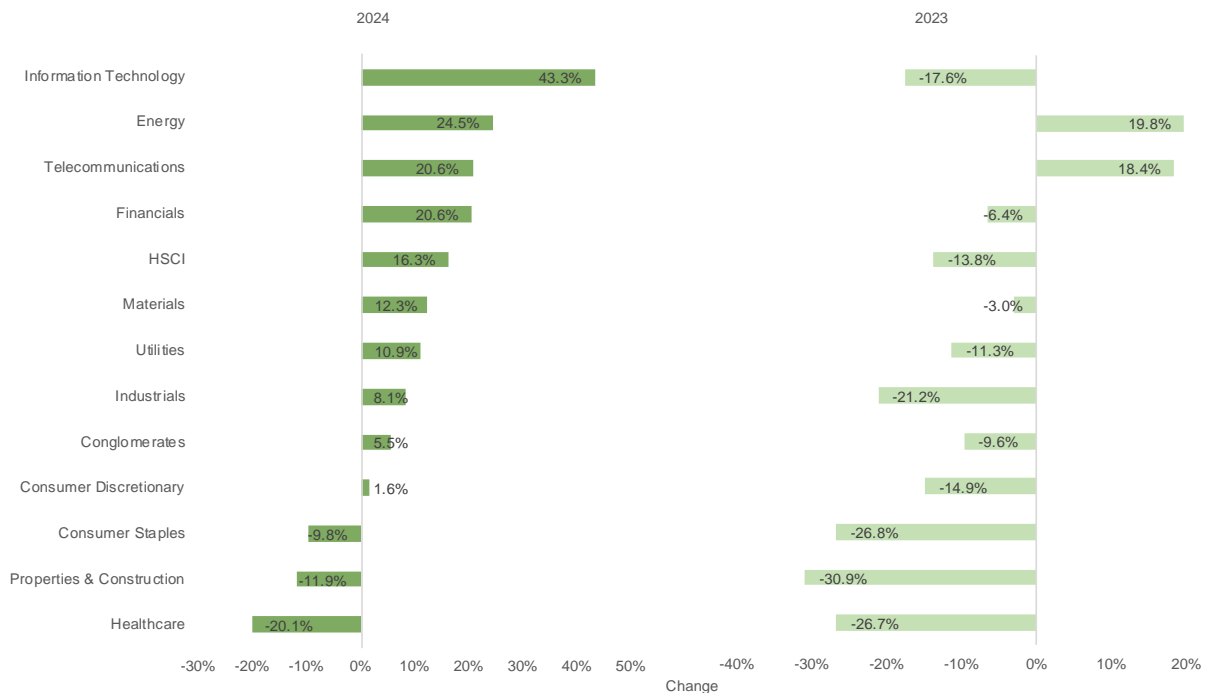


* Note:

- Large Cap: Hang Seng Composite LargeCap Index
- Mid Cap: Hang Seng Composite MidCap Index
- Small Cap: Hang Seng Composite SmallCap Index

Hang Seng Composite Index (HSCI) - Industry Indexes

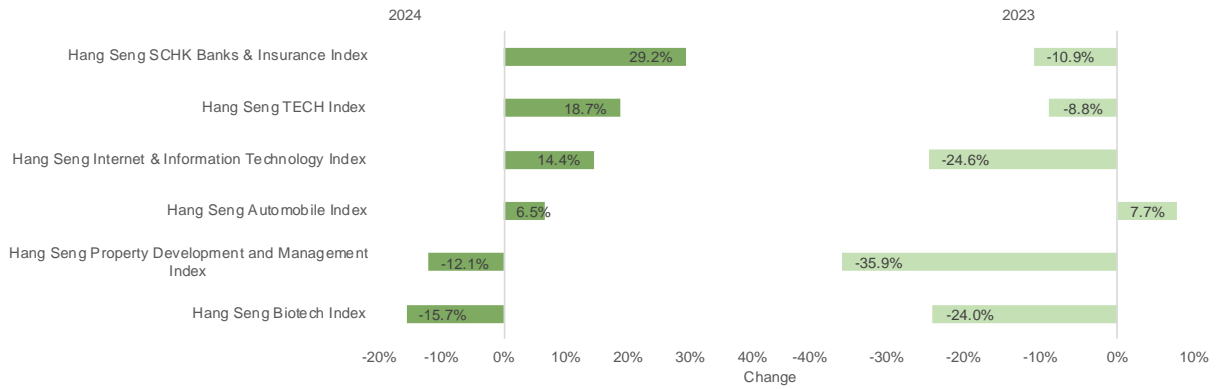
- Information Technology was the best performing industry (+43.3%), followed by Energy (+24.5%) and Telecommunications (+20.6%).
- Healthcare fared the worst, posting a decline of 20.1%.





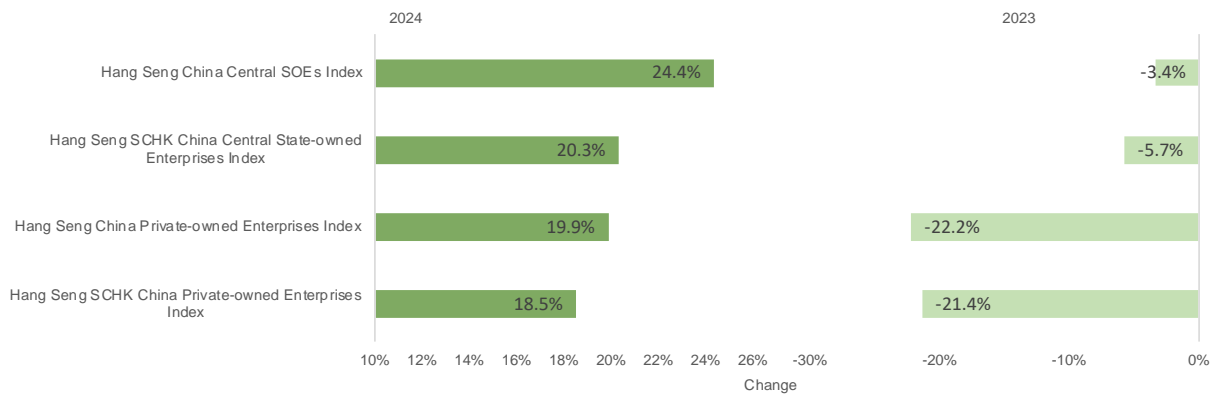
Thematic Indexes – Hong Kong-Listed

- The Hang Seng SCHK Banks & Insurance Index rose by 29.2% in 2024, after registering a decline of 10.9% in the previous year.



SOE & POE Indexes – Hong Kong-Listed

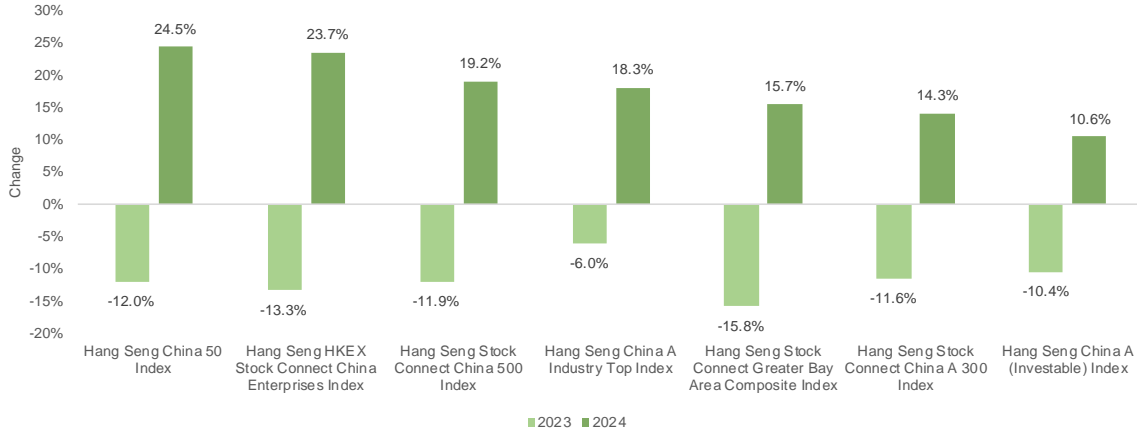
- Following a decline of 3.4% in 2023, the Hang Seng China Central SOEs Index increased by 24.4% in 2024.





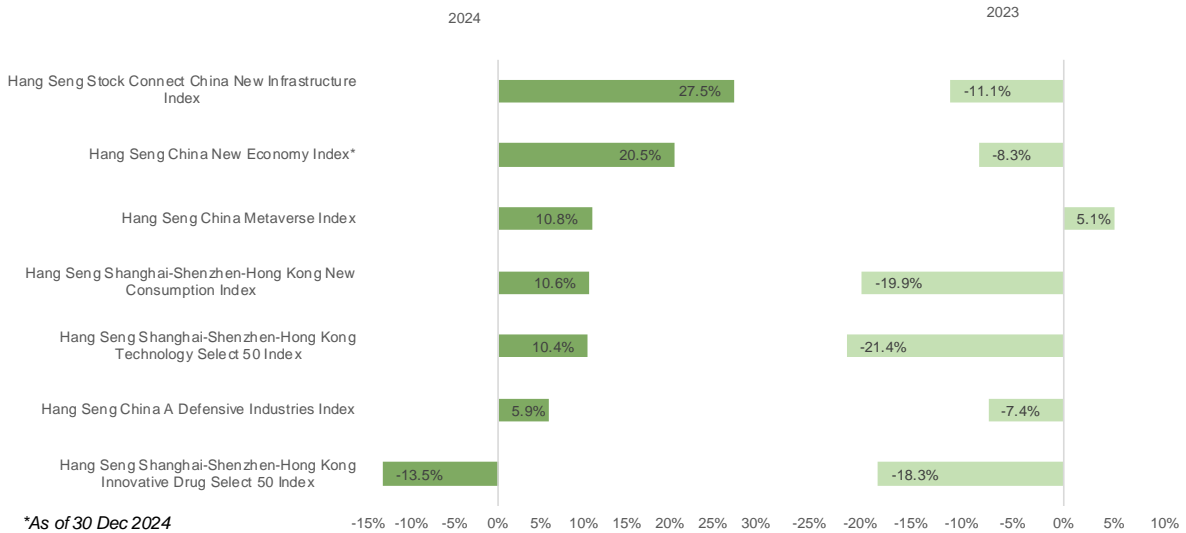
Mainland-Listed / Cross-Market

Major Indexes



Thematic Indexes

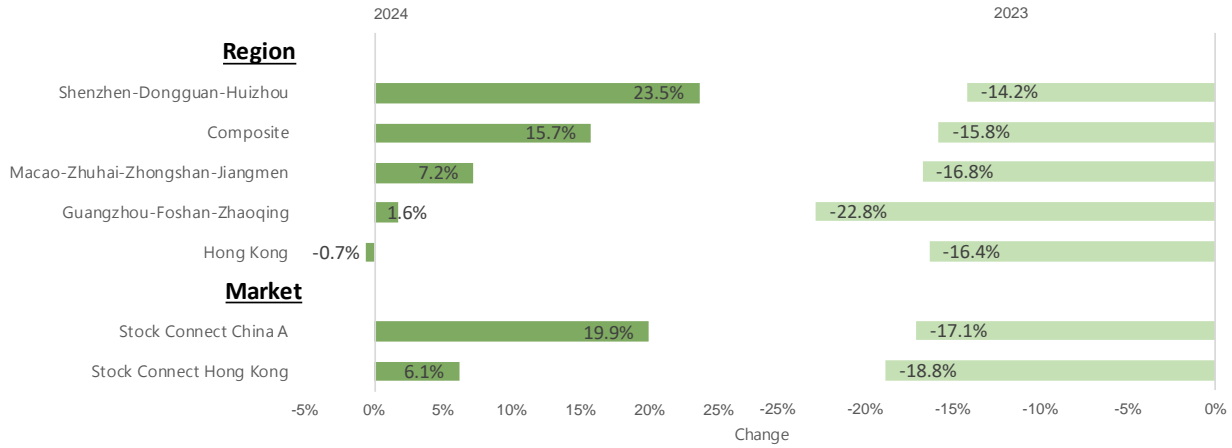
- The Hang Seng Stock Connect China New Infrastructure Index jumped by 27.5% in 2024, after a decline of 11.1% in 2023.
- The Hang Seng Shanghai-Shenzhen-Hong Kong Innovative Drug Select 50 Index dropped by 13.5% in 2024.





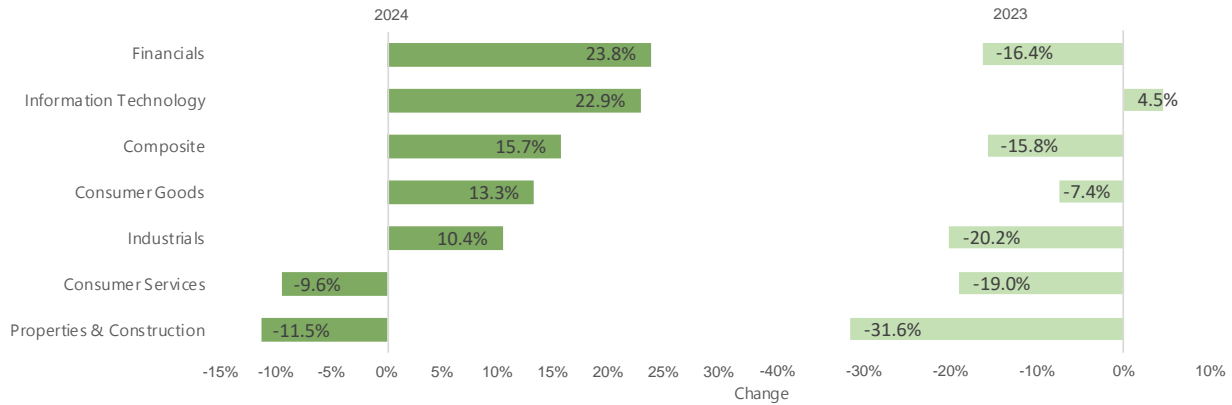
Hang Seng Stock Connect Greater Bay Area Composite Index - Region / Market Indexes

- Shenzhen-Dongguan-Huizhou and Stock Connect China A performed the best among Region Indexes (+23.5%) and Market Indexes (+19.9%) respectively.



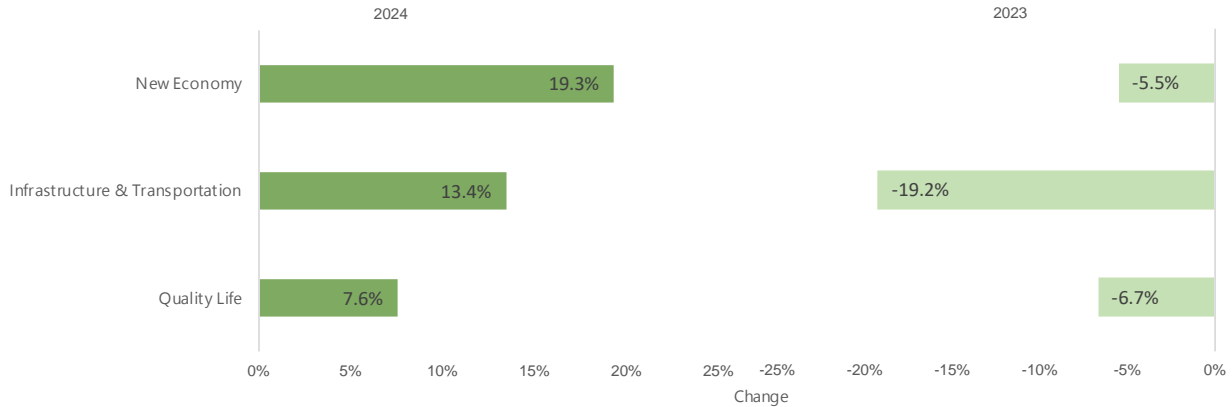
Hang Seng Stock Connect Greater Bay Area Composite Index - Industry Indexes

- Financials increased by 23.8%, following a decline of 16.4% in 2023.



Hang Seng Stock Connect Greater Bay Area Composite Index – Thematic Indexes

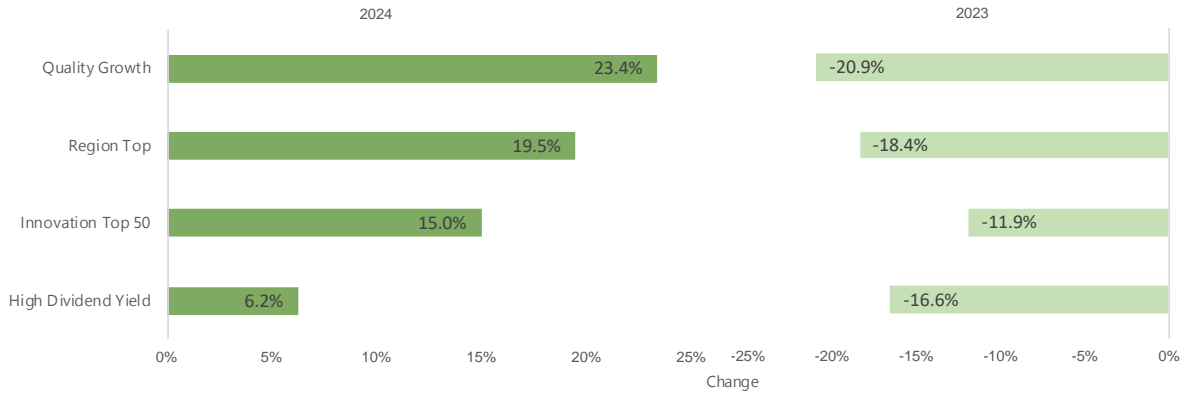
- New Economy advanced by 19.3%, following a decline of 5.5% in 2023.





Hang Seng Stock Connect Greater Bay Area Composite Index - Factor & Strategy Indexes

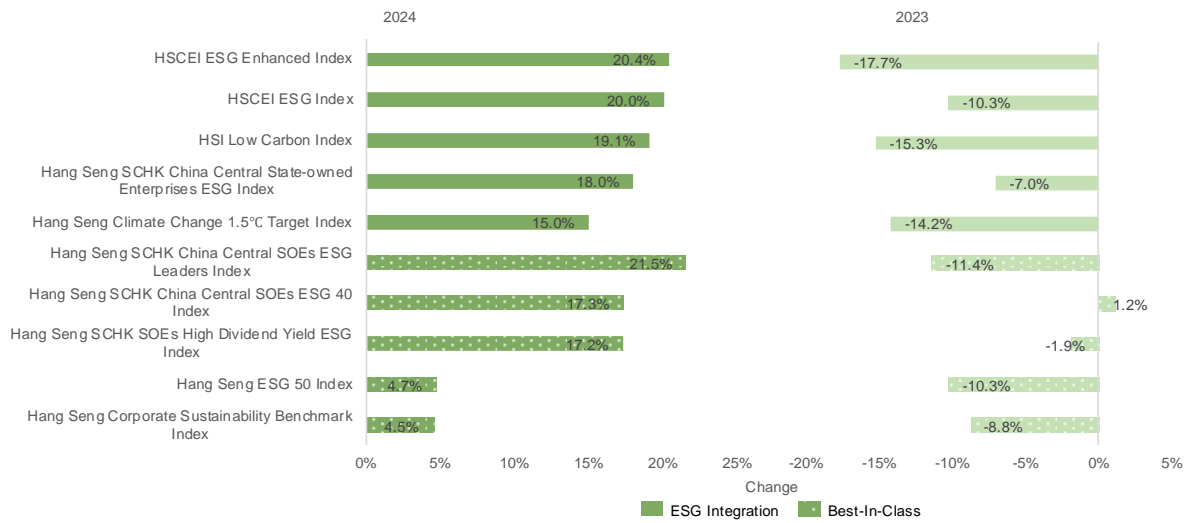
- Quality Growth jumped by 23.4%, following a decline of 20.9% in 2023.





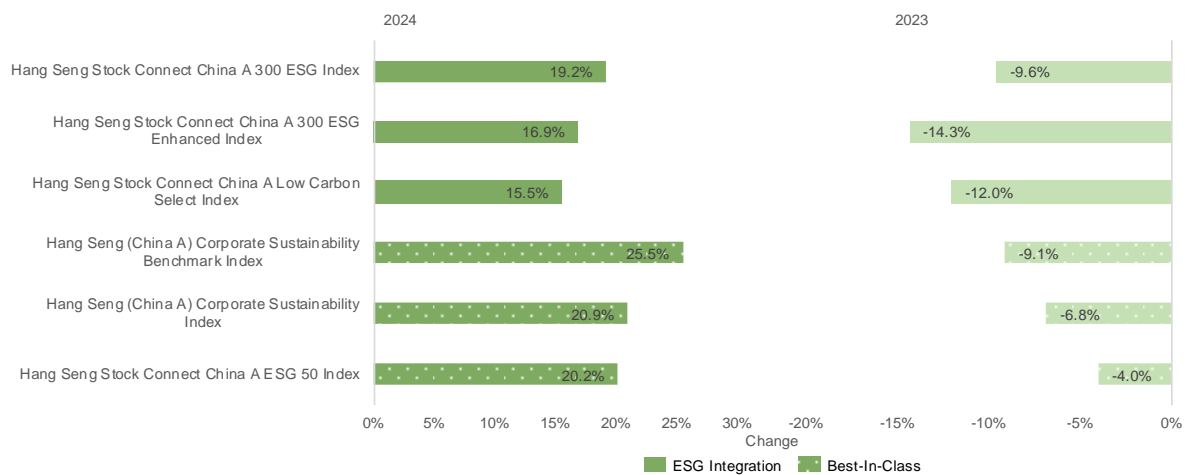
ESG Indexes – Hong Kong-Listed

- The Hong Kong listed ESG index family is broadly categorized into 2 groups: ESG integration and best-in-class.
- In the ESG integration series, HSCEI ESG Enhanced Index has the best performance of +20.4%.
- In the best-in-class series, Hang Seng SCHK China Central SOEs ESG Leaders Index has the best performance of +21.5%.



ESG Indexes – Mainland-Listed / Cross Market

- The Hang Seng Stock Connect China A 300 ESG Index increased by 19.2%.
- The Hang Seng (China A) Corporate Sustainability Benchmark Index jumped by 25.5%.

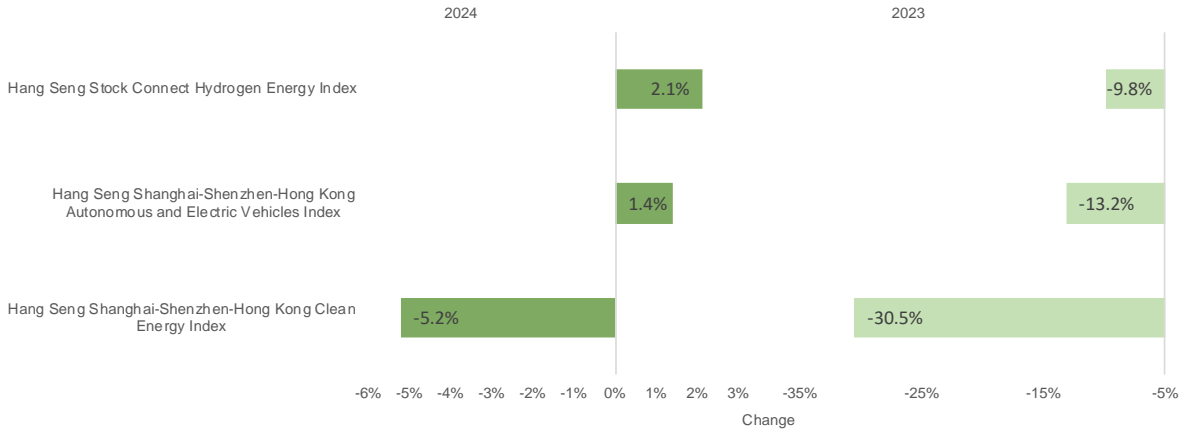


Remarks: ESG integration means incorporating ESG factors into a base index; Best-in-class refers to selection of companies with the best ESG ratings.



ESG Indexes – Thematic Indexes

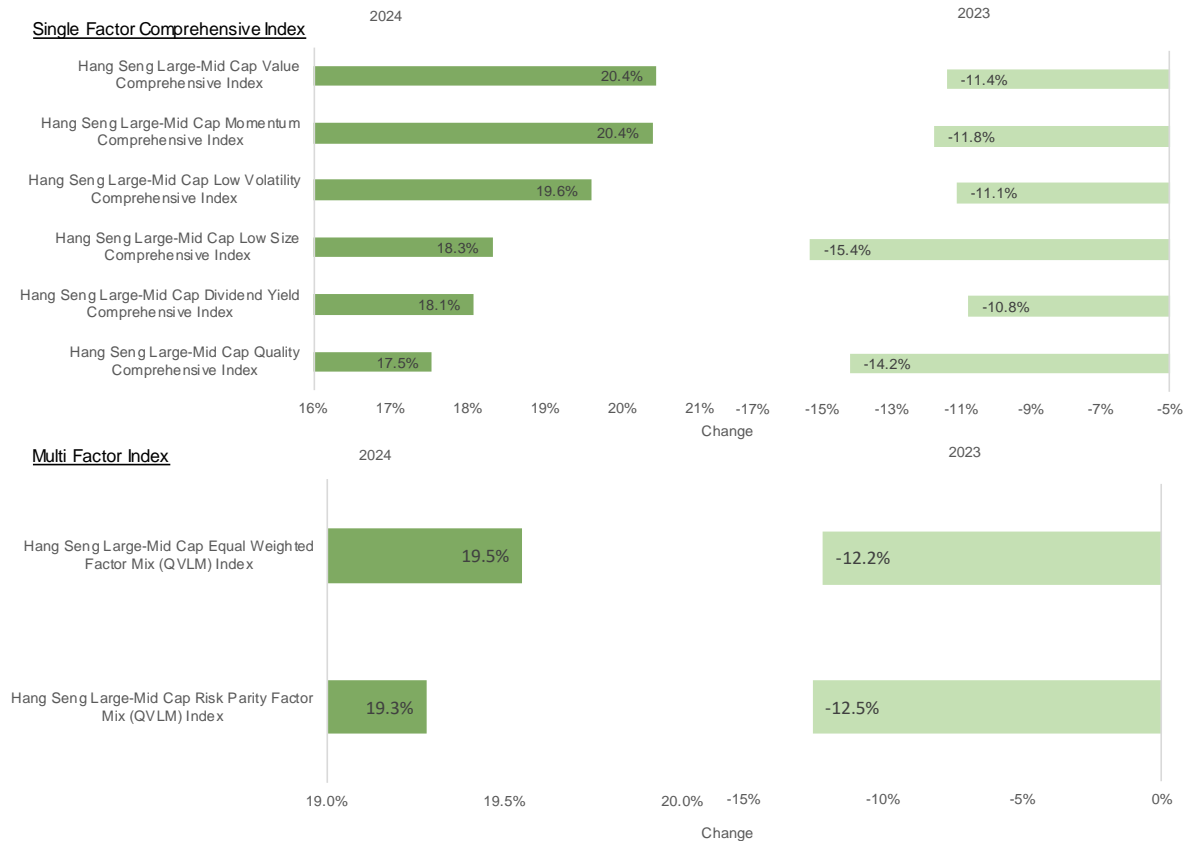
- The Hang Seng Stock Connect Hydrogen Energy Index and the Hang Seng Shanghai-Shenzhen-Hong Kong Autonomous and Electric Vehicles increased by 2.1% and 1.4% respectively.





Smart Beta – Hong Kong-Listed

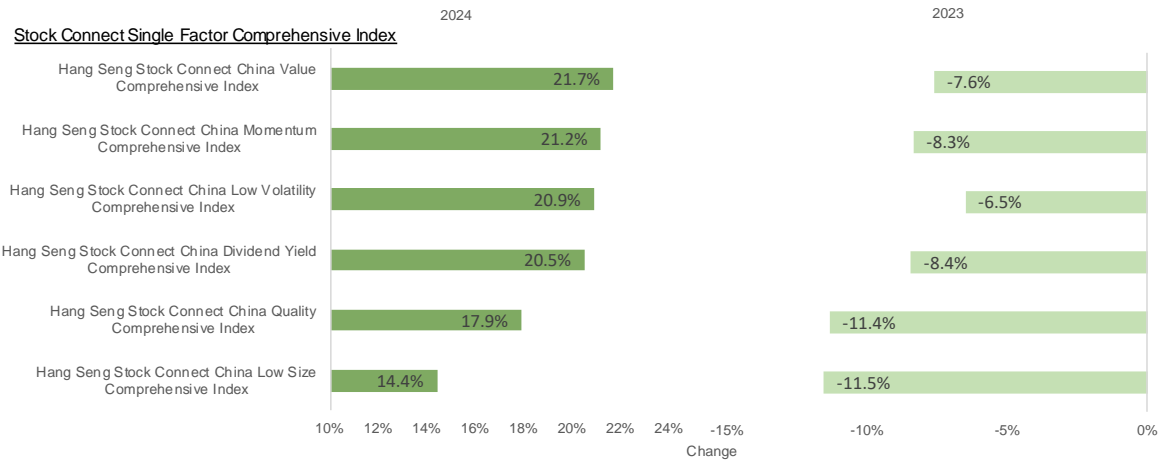
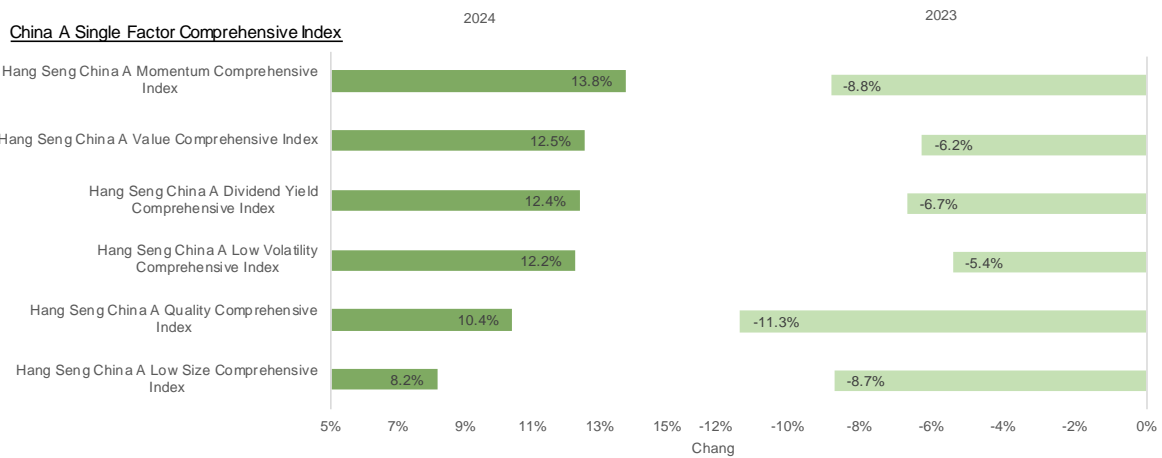
- In 2024, among the Hong Kong-listed Single Factor Comprehensive indexes, the Hang Seng Large-Mid Cap Value Comprehensive Index was the best performer (+20.4%), followed by the Hang Seng Large-Mid Cap Momentum Comprehensive Index (+20.4%) and the Hang Seng Large-Mid Cap Low Volatility Comprehensive Index (+19.6%).
- Among the Hong Kong-listed Multi-factor indexes, the Hang Seng Large-Mid Cap Equal Weighted Factor Mix (QVLM) Index has outperformed (+19.5%) for the year.





Smart Beta – Mainland-Listed / Cross-Market

- Among the mainland-listed Single Factor Comprehensive indexes in 2024, the Hang Seng China A Momentum Comprehensive Index performed best (+13.8%), followed by the Hang Seng China A Value Comprehensive Index (+12.5%) and the Hang Seng China A Dividend Yield Comprehensive Index (+12.4%).
- For the cross-market Single Factor Comprehensive indexes, the top runners are the Hang Seng Stock Connect China Value Comprehensive Index (+21.7%), the Hang Seng Stock Connect China Momentum Comprehensive Index (+21.2%) and the Hang Seng Stock Connect China Low Volatility Comprehensive Index (+20.9%).





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