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Welcome to this month's PWMA Digest, where we deliver to you the critical news in Hong Kong's wealth management world!

In this month, Hong Kong's financial landscape is showing promising developments, with the Hong Kong Exchanges and Clearing Limited (HKEX) reporting a 9% profit increase, driven by a revival in IPOs and trading activity. SFC's newly released Quarterly Report also echoes that Hong Kong financial market is seeing broad market growth, with a significant increase of net fund inflows quarter-on-quarter and the growing license applications. The recent oversubscription of yuan-denominated sovereign bonds indicates strong international demand for Chinese debt. The government remains confident in achieving its 2024 growth forecast of 2.5% to 3.5%, despite geopolitical challenges. Moreover, HKMA's recent agreement with the PBOC aims to enhance the Faster Payment System for smoother cross-border transactions.

- [**SFC Quarterly Report: HK Sees Broad Mkt Growth**](#)

Aastocks, 22 August 2024

The newly released Quarterly Report by the SFC showed that Hong Kong capital markets continued to make progress in the second quarter of 2024, with asset under management (AUM) up 7% and net fund inflows soaring 80% quarter-on-quarter. Another bright spot was the license applications received by the regulator, which rose 3% quarter-on-quarter and 8% year-on-year. The SFC has also approved 6% more new listing applications than the previous quarter.

- [**HKEX posts first profit growth in 3 quarters as IPOs, stocks trading revive in Hong Kong**](#)

South China Morning Post, 21 August 2024

Hong Kong Exchanges and Clearing Limited (HKEX) reported a 9% increase in net profit to HK\$3.16 billion for the quarter ending in June, marking its first earnings growth in three quarters, fueled by a resurgence in IPOs and stock trading. Sales rose 8% to HK\$5.4 billion, in line with market expectations. Key highlights include a 50% increase in new listings and a 79% rise in IPO funds raised compared to the previous quarter, driven by an 18% year-on-year increase in daily trading turnover. The rebound in Hong Kong's capital markets was spurred by China's recent stimulus measures.

- [**China's US\\$1.3 billion of 'dim sum' bond sale overbought as appetite grows for yuan debt**](#)

South China Morning Post, 21 August 2024

The Chinese government's fourth sale of yuan-denominated sovereign bonds in Hong Kong this year saw significant oversubscription, with 30.4 billion yuan in bids for a 9 billion yuan tranche. The bonds, maturing in two, three, and ten years, offered yields of 1.9%, 2%, and 2.38%. This strong demand reflects international investors' confidence in China's sovereign creditworthiness and the stability of the yuan, especially in a volatile interest rate environment. The Ministry of Finance intends to continue increasing the frequency and size of bond issuances in Hong Kong.



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Additionally, provincial authorities, like Guangdong and Shenzhen, are planning to issue offshore yuan bonds in Hong Kong.

- [Hong Kong maintains growth forecast for 2024 as economy expands 3.3% in second quarter](#)
South China Morning Post, 16 August 2024

The Hong Kong government remains confident in meeting its 2024 economic forecast following a year-on-year growth of 3.3% in the second quarter. This figure aligns with previous estimates, and the government maintains its full-year growth projection between 2.5% and 3.5%. While exports rose 7.6% and local economic expansion is expected to support investment, challenges from geopolitical tensions and global economic uncertainties loom. Overall, while the economic outlook remains stable, factors like consumer spending and potential U.S. interest rate adjustments will significantly influence the trajectory.

- [Hong Kong signs agreement with People's Bank of China to enhance Faster Payment System](#)
South China Morning Post, 3 August 2024

The Hong Kong Monetary Authority (HKMA) has signed an agreement with the People's Bank of China (PBOC) to enhance cross-border payment systems, particularly the Faster Payment System (FPS). The agreement aims to facilitate smoother commerce and person-to-person transactions between mainland China and Hong Kong, improving financial cooperation and ease the lives of Hong Kong residents traveling or living in the mainland. While the current daily remittance limit stands at 80,000 yuan (approximately US\$11,015), new quotas will be determined by China's State Administration of Foreign Exchange. The FPS, which has operated since 2018, supports round-the-clock transactions in both Hong Kong dollars and renminbi but is still developing its functionality within mainland China.