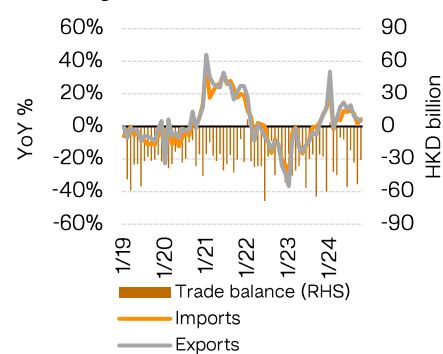


*Market Monitor – Hong Kong*
**Property market stabilised somewhat with improving sentiment**


- Growth in merchandise exports slowed to an 8-month low in October as the base effects faded.
- The resumption of multiple-entry visas should further revive inbound tourism.
- Asset market activities saw diverging trend with home sales volume surging and home prices stabilising while stock trading activities moderating.

**Export growth slowed for the third straight month**

**Growth in merchandise exports slowed to an 8-month low.** In October, Hong Kong's total exports increased by 3.5% year-on-year (YoY), marking the lowest growth rate since March. The slowdown marked three straight months of softening, largely due to fading low base effects from late 2023. Meanwhile, imports rose by 4.5% YoY in October, outpacing exports. As a result, trade deficit expanded, pointing to lower contribution to the headline economic growth from net exports. For the first 10 months of 2024, total exports and imports grew by 9.9% and 6.8% YoY, respectively. The year-to-date trade deficit narrowed by 20% YoY to HKD 302 billion. However, external uncertainties, including trade tensions and global economic headwinds, could impact Hong Kong's trade performance in the coming months.

**Trade growth and trade balance**


Source: Bloomberg

## Economic Research

**The resumption of multiple-entry visas should further revive inbound tourism.** Starting from December, over 10 million Shenzhen residents can apply for multiple-entry visas to Hong Kong. Such initiative would further boost inbound tourism. Meanwhile, Hong Kong third runway system went into service in late November. With this enhancement, the Hong Kong International Airport will be able to handle about 120 million passengers and 10 million tons of cargo per year from 2035 onwards, further strengthening Hong Kong's position as a regional aviation hub. Looking ahead, the uneven recovery between inbound and outbound tourism is set to gradually improve.

**Enterprises pledged to support the development of the Northern Metropolis (NM).** In late November, 85 enterprises signed a memorandum of understanding, pledging support to the development of NM. 35 of these also signed separate agreements to make investment in NM worth over HKD 100 billion. Moreover, the SAR Government will soon invite enterprises to express their interest in 3 pilot areas of large-scale land disposal in NM and finalise the tender terms after receiving feedback. As various investments in NM commence construction, NM will not only serve as a new growth engine for Hong Kong but also complement the high quality integration between Hong Kong and other GBA cities in future

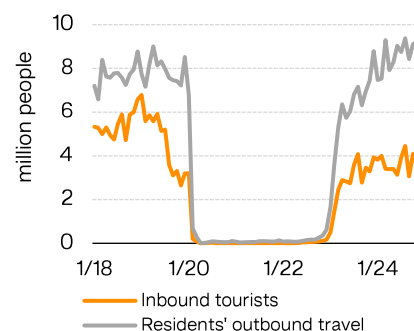
### Asset market activities saw diverging trend

**Home sales volume notably improved.** After seeing the first HKD prime rate cut in September since November 2019, along with further easing of mortgage rules announced in the Policy Address, the official residential property price index edged up by 0.6% month-on-month (MoM) in October, ending a 5-month downtrend. In Mid-November, banks in Hong Kong cut the HKD prime rate again by 25 basis points. Given these positive developments, residential transactions turned buoyant, with private home sales volume surging by 34% MoM (or 147% YoY) to 6,298 units in November, marking the second best monthly sales volume in the past 20 months. Developers are also launching more projects for sales amidst improving investment sentiment.

**Geopolitical and trade policy uncertainty sent stocks lower.** In the stock market, the average daily trading turnover dropped by 37% MoM to HKD 161 billion in November while the Hang Seng Index declined by 4.4% MoM in the same period. Investor sentiment may have been affected as the US President-Elect Donald Trump vowed to employ tariff and other restrictive measures against Chinese Mainland and its major trading partners. That said, forceful stimulus policies enacted by Mainland authorities, along with a global rate cut cycle, would enhance investor confidence and support economic growth in Hong Kong, possibly stimulating further stabilisation in Hong Kong's asset markets

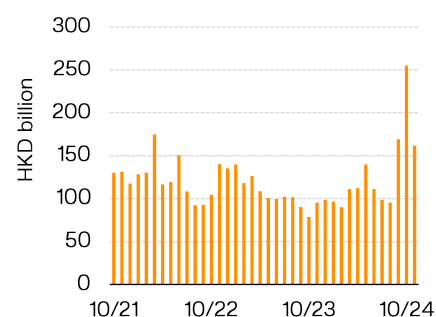
## December 2024

### Inbound tourist vs outbound travel by HK residents



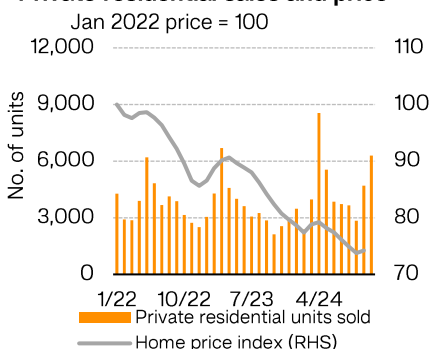
Source: CEIC

### Average daily turnover of securities market



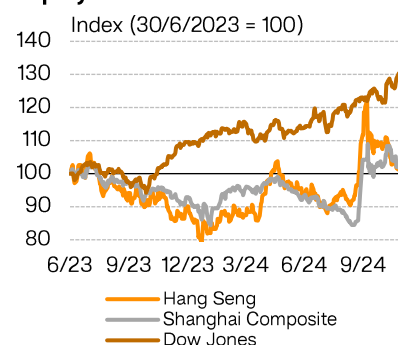
Source: Hong Kong Stock Exchange

### Private residential sales and price



Source: Bloomberg

### Equity Indices



Source: Bloomberg

**Disclaimer**

This material is prepared by The Bank of East Asia, Limited ("BEA") for customers' reference only. The content is based on information available to the public and reasonably believed to be reliable, but has not been independently verified. Any projections and opinions contained herein are expressed solely as general market commentary, and do not constitute an offer of securities or investment, nor a solicitation, suggestion, investment advice, or guaranteed return in respect of such an offer. The information, forecasts, and opinions contained herein are as of the date hereof and are subject to change without prior notification, and should not be regarded as any investment product or market recommendations. This material has not been reviewed by the Securities and Futures Commission of Hong Kong, Hong Kong Monetary Authority, or any regulatory authority in Hong Kong.

BEA will update the published research as needed. In addition to certain reports published on a periodic basis, other reports may be published at irregular intervals as appropriate without prior notice.

No representation or warranty, express or implied, is given by or on behalf of BEA, as to the accuracy or completeness of the information and stated returns contained in this material, and no liability is accepted for any loss arising, directly or indirectly, from any use of such information (whether due to infringements or contracts or other aspects). Investment involves risks. The price of investment products may go up or down, and may become valueless. Past performance is not indicative of future performance. The investments mentioned in this material may not be suitable for all investors, and the specific investment objectives or experience, financial situation, or other needs of each recipient are not considered. Therefore, you should not make any investment decisions based solely on this material. You should make investment decisions based on your own investment objectives, investment experience, financial situation, and specific needs; if necessary, you should seek independent professional advice before making any investment.

This material is the property of BEA and is protected by relevant intellectual property laws. Without the prior written consent of BEA, the information herein is not allowed to be copied, transferred, sold, distributed, published, broadcast, circulated, modified, or developed commercially, in either electronic or printed forms, nor through any media platforms that exist now or are developed later.

For more information, please visit our webpage at <https://www.hkbea.com/html/en/bea-about-bea-economic-research.html>. For any enquiries, please contact the Economic Research Department of BEA (email: [lerd@hkbea.com](mailto:lerd@hkbea.com)/telephone number: (852) 3609-1504/postal address: GPO Box 31, Hong Kong).