HK assets under management hit record-high $42.2 trillion, up 20pc

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Hong Kong's total assets under management jumped 20 percent year-on-year to a record high of HK$42.2 trillion in 2025, partly driven by a net fund inflow surge of 193 percent to HK$2.1 trillion, data from the Securities and Futures Commission showed on Thursday.

The figure surpassed the previous peak of HK$35.5 trillion in 2021, representing a 18.9 percent growth, according to the SFC's Asset and Wealth Management Activities Survey 2025.

Among the major segments, the AUM of the asset management and fund advisory business recorded solid 19 percent growth to HK$31 trillion, while that of the private banking and private wealth management business increased by 24 percent to HK$12.9 trillion.

Net asset value of Hong Kong-domiciled funds authorised by the SFC rose 38 percent to HK$2.3 trillion as at end-2025, with new fund inflows more than doubling to HK$357 billion in 2025.

As of the end of May this year, these funds saw net asset value further climb 13 percent to HK$2.6 trillion, while their net fund inflows hit HK$118 billion during the first five months.

The city’s growth of high quality was underpinned by its geographically diversified and predominantly institution-oriented investor base, SFC said, adding that investors from outside the Chinese mainland and Hong Kong have accounted for more than 54 percent of total AUM in recent years.

The share of professional investors in Hong Kong's asset management and fund advisory business also increased to 74 percent as of end-2025, of which corporations, financial institutions and funds accounted for 49 percent.

Meanwhile, Hong Kong asset managers invested 56 percent of AUM outside the mainland and Hong Kong in 2025, while the AUM of their bond investments recorded double-digit growth for a second consecutive year.

Over the past five years, the share of non-equity investments also rose by 7 percentage points to 58 percent, indicating Hong Kong asset managers' strategic diversification to navigate changing global conditions, as well as the city's growing fixed income and currency markets, according to the survey.

Besides, the wealth management industry kept expanding, with the number of firms licensed to manage assets and licensed individuals in the city increasing by 7 percent and 5 percent to 2,358 and 15,747, respectively, the SFC noted.

Financial Secretary Paul Chan Mo-po commented in a social media post that the robust result underscored Hong Kong's position as the world's leading cross-border wealth management hub.

As overseas investors contributed over half of the city's AUM, it reflects that Hong Kong's sources of funds remain highly diversified and internationalized, Chan said.

Under complex and volatile geopolitical conditions, Hong Kong's dual strengths as a safe haven for capital and hub for opportunities are becoming increasingly prominent, he noted.

Chan pointed out that the steady performance and positive outlook of the mainland economy are the strongest backbone of Hong Kong, while the free flows of assets, information, and goods under the "one country, two systems" framework, along with the government's stable and predictable economic policies, also boost international investors' confidence.

IPO fundraising to hit HK$380b for year: PwC

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Accounting firm PwC said on Thursday it remains confident in the growth momentum of Hong Kong's IPO market as reports showed the city ranks second globally, behind only Nasdaq.

Full-year fundraising is expected to reach HK$380 billion.

In the first half of 2026, Hong Kong's IPO market set a five-year high in both fundraising amount and number of listings.

It raised HK$210 billion, making for a 92 percent year-on-year increase, and recorded 87 new listings, up 98 percent.

The information technology and telecommunications services sector dominated the listings with a 48 percent share, followed by industrials and materials on 21 percent and healthcare and pharmaceuticals on 18 percent.

PwC said the upswing was driven by three key factors: leading mainland enterprises listing here as the primary source of capital raised; an increasing number of mainland tech companies pursuing dual listings; and strong international investor interest in high-growth new economy sectors – particularly artificial intelligence, new materials, semiconductors, chips and creative robotics.

"In terms of the second half of 2026, we expect the IPO momentum will continue. We are cautiously optimistic," said Diamantina Leong, partner of PwC Hong Kong Capital Markets Services Group.

Regarding the projected full-year fundraising size of HK$380 billion, Leong said: "If the market is stable and more mega-sized companies come, it is possible that the fundraising in 2026 will be even higher."

PwC also said as international enterprises are exploring listings in Hong Kong and favouring tech stocks, the city is emerging as a preferred listing destination for A-share companies on the Shenzhen and Shanghai bourses.

A-share companies are continuing to access Hong Kong's capital market for international fundraising, accounting for HK$121.7 billion of HK$210 billion raised to date.

These companies are involved in sectors such as technology and AI, which the central government regards as key drivers for sustained economic growth.

In turning to Hong Kong's international capital market, A-share companies are able to broaden and diversify their investor bases while further enhancing their international brand presence.

"A lot of investors continue to have interest in high-quality Chinese companies, particularly in the AI industry," Leong said.

Edited by Edmond Fong

HK launches gold clearing system

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Hong Kong today launched, on a trial basis, a gold central clearing and settlement system, along with targeted initiatives to build a modern, full-chain trading ecosystem.

Launching the measures, the Financial Services & the Treasury Bureau said they include rolling out the initial phase of "Delivery Connect with the Shanghai Gold Exchange", and a new HAU price ticker designed to furnish a specific reference rate tailored for Hong Kong.

There are plans to expand storage capacity and refining capabilities, diversify gold investment products, explore tax incentives, co-ordinate insurance arrangements, bolster the flexibility of Mandatory Provident Fund investments in gold exchange-traded funds, and institute an industry-led trade association.

Financial Secretary Paul Chan underscored that the National 15th Five-Year Plan incorporates explicit support for Hong Kong in establishing a commodity trading ecosystem.

“The commencement of the trial operation of the gold central clearing and settlement system today marks a significant step forward in developing Hong Kong's gold trading infrastructure,” he said.

Mr Chan also highlighted that the Government is committed to building a thriving gold trading ecosystem. “This will further enhance the richness, depth, and breadth of our financial markets, create new investment opportunities for local and overseas investors, and inject new momentum into the development of the financial sector.”

Secretary for Financial Services & the Treasury Christopher Hui said that the Government’s vision is to build a scalable and integrated platform with trusted capabilities in clearing, connectivity, price discovery, risk management, storage, and insurance for global participants.

Operating under the Hong Kong Precious Metals Central Clearing Company, a wholly government-owned entity, the system is geared towards delivering efficient and reliable clearing and settlement services for bilateral and over-the-counter gold transactions.

The operation is governed by a comprehensive Clearing Rulebook. A central ledger has been established to record settlement activities, gold transfers, and the balances of participating banks, and will interface seamlessly with designated vaults to facilitate and record physical gold deposits and withdrawals.

Meanwhile, gold balances within the system are managed and settled on an unallocated basis, with commingled holding enabling efficient settlement for gold meeting international standards.

Eligible gold for settlement comprises about 400 fine troy ounce bars conforming to international standards.

HK's SFC names three priorities in developing fixed income, currency markets

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Hong Kong securities watchdog highlighted three priorities in developing the fixed income and currency markets in the city as global shifts are increasing the demand for diversification and yuan assets.

They include developing an FIC trading platform, expanding the use of fixed income as collateral, and providing more risk management tools, said Julia Leung Fung-yee, chief executive of the Securities and Futures Commission.

Leung said at the Hong Kong FIC & Bond Connect Summit on Tuesday that approximately 3.9 billion yuan of onshore treasury bonds are already used as collateral after the People's Bank of China allowed such bonds held by international investors via Bond Connect to be used as collateral at Hong Kong Exchanges and Clearing's (0388) clearing houses—accounting for 17 percent of total margin in just over a year.

The SFC is in discussion with the PBOC to include the interbank seven-day fixing depositary institutions repo rate as a reference rate for the Swap Connect, targeting a launch by the fourth quarter, she said.

This would introduce more hedging instruments for market participants to better manage their interest rate risk of yuan-denominated positions, Leung noted.

To enhance secondary market liquidity, she pointed out the need to further develop Hong Kong’s repo market and introduce repo clearing through a central counterparty, which will become part of a resilient and robust FIC ecosystem.

The five-year Chinese government bond futures contract will be launched on HKEX next month as a transparent and standardised instrument for hedging.

The SFC will continue to support the bourse in introducing more futures products, including yuan foreign exchange futures against other currencies and yuan-denominated gold futures, she added.

HK’s cross-boundary wealth management sees 9pc annual growth through 2030, Hui says

by www.thestandard.com.hk

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Hong Kong’s cross-boundary wealth management is projected to grow by 9 percent annually on average from 2025 to 2030, cementing its status as the world's largest, said Christopher Hui Chun-yu, Secretary for Financial Services and the Treasury, in the Legislative Council on Thursday.

To sustain growth and attract more global capital to Hong Kong, Hui said the government introduced a bill to the Legislative Council on June 24 to enhance tax regimes for funds, single-family offices, and carried interest.

In his response to the Legislative Council, he discussed potential improvements to the Mainland-Hong Kong Mutual Recognition of Funds and to the Integrated Fund Platform (IFP) operated by Hong Kong Exchanges and Clearing (0388).

Hui said Hong Kong has seen enhancements in the flexibility and scale of the Mainland-Hong Kong Mutual Recognition of Funds, with a total of 85 funds authorized by regulators in both places as of end-May. In 2025, Hong Kong mutual recognition funds on the mainland had a net subscription of 82.5 billion yuan (HK$95.06 billion), a 2.3-fold increase year on year.

Regarding the IFP, Hui said that following a successful record of attracting 55 financial institutions, including fund houses, distributors, and transfer agents as of end-May, the platform plans to launch the "Platform and Nominee Services" in the second half of 2026, expanding its services to include nominee services provision, facilitating payments and settlement, enhancing market efficiency, and lowering transaction costs.

In addition to the sales and promotion of Cross-boundary Wealth Management Connect in the Guangdong-Hong Kong-Macao Greater Bay Area, Hui said the scheme has continued to offer GBA residents a direct, convenient channel for cross-boundary investment in wealth management products – a milestone for the region’s financial growth.

Hong Kong had a record 1.6 million local firms registered by June: Companies Registry

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Hong Kong saw a record of nearly 1.61 million local and re-domiciled companies registered in the city as of June, data from the Companies Registry showed.

A total of 122,481 local companies and re-domiciled companies were newly registered during the first half of 2026, according to the statistics released on Friday.

In the first six months of the year, 903 non-local companies have newly established a place of business in the city and were registered under the Companies Ordinance, bringing the total number of registered non-Hong Kong companies to an all-time high of 16,014 by the end of June, the registry said.

It received 70 applications for the company re-domiciliation regime, among which 42 companies have successfully re-domiciled to Hong Kong, including two insurance companies and one listed company.

The original places of incorporation of these companies include British Virgin Islands, Luxembourg, the Cayman Islands, Bermuda, etc, it said.

Standard Chartered: HK GDP to hit 4.3pc in 2026, fueled by AI supercycle and mainland stimulus

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Standard Chartered Hong Kong expects Hong Kong's GDP growth to reach 4.3 percent in 2026, fueled by a robust and strengthening capital, property, and employment markets, improved consumer sentiment, and the artificial intelligence "super cycle".

Assuming U.S. interest rates remain unchanged, economists forecast that the 1-month and 3-month Hong Kong Interbank Offered Rate (HIBOR) will hover at around 2.8 percent and 3 percent, respectively, in the second half of the year.

Tommy Wu, senior economist for Greater China and North Asia at Standard Chartered, said even though Hong Kong is not a chip production hub, its trade and logistics industries benefit from the AI super cycle in the North Asia region's economy, with over 70 percent of electronic products imported through the city. He noted two other key economic growth drivers — Hong Kong's growing number of initial public offerings and rising tourism expenditure by mainland tourists.

Standard Chartered's chief economist for Greater China and North Asia, Ding Shuang, forecasts mainland China's GDP growth at 4.5 percent or higher in the second half of 2026 and 4.6 percent for the full year.

China's last quarter GDP grew 4.3 percent year-on-year, a noticeable slowdown amid strong exports but weak domestic demand. With fiscal support easing in the first half of the year, Ding expects stronger stimulus in the second half if growth risks slipping below the official 4.5 percent target. New measures could be introduced by the end of the third quarter.

Ding said the anticipated stimulus will be fiscal-led and monetary-supported, featuring higher fiscal expenditure, a rebound in infrastructure investment, and continued issuance of local special bonds. On the monetary side, liquidity will remain ample, with a possible 25 basis point required reserve ratio cut in the third quarter, while interest rates are expected to stay unchanged. The yuan is forecast to trade between 6.75 and 6.85 per US dollar by the end of the third quarter.

Meanwhile, Ding said the bank's view of the Federal Reserve's policy is based on oil prices, with Brent crude estimated at around US$80 per barrel by year's end if countries mitigate risks from the Middle East war. He also noted unit labor costs and wage growth as key factors for the Fed's inflation estimate.

He said that if the war escalates and lasts longer, it could increase the chance of rate hikes. However, the bank still expects the Fed to keep interest rates steady over the next two years.

HK exports up 53.4pc for fastest pace in decades

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Hong Kong exports continued to show robust growth in June, with their value jumping 53.4 percent year on year to mark the fastest annual growth pace in decades amid a global AI boom.

Figures released by the Census and Statistics Department showed that the value of exports of goods hit HK$641.1 billion.

The increase also beats a 40.8 percent annual increase in May, when the value of total outbound shipments reached HK$611.2 billion.

Imports increased by 45.4 percent to HK$693 billion in June, after seeing an annual growth rate of 42 percent in May.

The latest figures left the city with a visible trade deficit of HK$52 billion, or about 7.5 percent of the value of imports of goods.

For the first half, the value of total exports rose by 39.1 percent year on year while imports advanced 40.6 percent.

A trade deficit of HK$294.6 billion was recorded during the period, equivalent to around 7.9 percent of total imports.

Commenting on the figures, a government spokesman said the city's merchandise exports continued to surge in June amid strong global demand for AI-related electronic products.

"Looking ahead, the robust demand for AI-related electronic products globally should render continued support to Hong Kong's merchandise trade performance," he said.

"Yet, the recent re-escalation of geopolitical tensions in the Middle East deserves attention."

By regions, the value of the city's outbound shipments to Asia as a whole jumped 54.4 percent in June, with exports to Singapore reaching around 83 percent, while those to the mainland were up by nearly 60 percent.

Shipments to the United States and Mexico soared 114.3 percent and 94.2 percent, respectively, in value.

Exports of office machines and automatic data processing machines saw the biggest annual increase in June, rising by 93.2 percent.

Edited by Tony Sabine