

Hong Kong stocks set for best month

Hong Kong stocks were poised to conclude February with remarkable gains, driven by investor enthusiasm surrounding DeepSeek's advancements in artificial intelligence (AI).

The Hang Seng index has surged nearly 14% this month, positioning it for its best monthly performance since September 2024.

The rally has been particularly pronounced in Hong Kong-listed Chinese technology firms, which have embraced DeepSeek's innovative AI solutions.

Companies such as Tencent (HK:0700), Alibaba (HK:9988), and Meituan (HK:3690) have seen their Hong Kong-listed shares climb, as they integrate DeepSeek's technology into their platforms. This integration aims to enhance user experiences and operational efficiencies, further boosting investor confidence.

Alibaba shares were set to surge more than 46% this month, while Tencent shares were heading for a 20% monthly jump.

Meituan shares have gained 11% in Feb, while Xiaomi (OTC:XIACF) Corp (HK:1810) stock has climbed nearly 38% for the month.

Automaker BYD Co (HK:1211) shares were on track for a 37% monthly surge, benefitting from the release of affordable smart driving electric vehicles

DeepSeek, a Hangzhou-based AI startup, has garnered significant attention since unveiling its R1 model in January. The model's superior performance and cost-effectiveness have positioned it as a formidable competitor to established Western AI systems such as OpenAI.

In response to growing demand, DeepSeek is accelerating the release of its next-generation R2 model, now expected before May. This development has intensified the AI fervor among Chinese tech companies and investors alike.

Hang Seng Index fell nearly 3% on Friday with tech giants tracking losses in Nvidia (NASDAQ:NVDA) shares. This erased some of the monthly gains, but the equities were still poised for stellar gains.

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