

Fundamentals:

Hong Kong stocks snapped a five-day losing streak to halt the worst slump since February on bets China will deliver more economic stimulus while earnings upgrades gained momentum. New World Development surged amid a debt and dividend plan.

The Hang Seng Index jumped 1.9 per cent to 19,148.13 at the closing of Tuesday trading, the most since June 15, to rebound from a three-week low. The Tech index climbed 2.6 per cent, while the Shanghai Composite Index added 1.2 per cent.

Tencent rallied 2.6 per cent to HK\$341.60 and Alibaba Group strengthened 2.8 per cent to HK\$85.55 while NetEase rose 5.2 per cent to HK\$153.20. Developer Longfor Group surged 7.9 per cent to HK\$19.30 and peer Country Garden jumped 6.5 per cent to HK\$1.65.

Local stocks had slumped 6.2 per cent over the past five days, erasing HK\$1.45 trillion (US\$185 billion) of market value from the 80 Hang Seng Index members. Valuations are now less demanding, some analysts said, while China contributed most positively to earnings upgrades in the region this quarter, Bank of America said.

After experiencing a rapid correction, valuations in Hong Kong stocks, measured by risk premium, have returned to a relatively neutral position in the short term, Guosen Securities said in a note on Monday.

Hong Kong's stock market has a relatively strong downside protection now and is unlikely to slip below the 18,000-point floor, analysts at CICC said in a note. Short-term market fluctuations may continue, but structural opportunities should not be overlooked, the firm added.

Elsewhere, New World Development gained 0.8 per cent to HK\$19.68. The stock earlier surged as much as 10 per cent, after Hong Kong's third-richest family led by Henry Cheng Kar-shun offered to take over its unit NWS Holdings in a HK\$35.8 billion (US\$4.6 billion) cash offer. NWS jumped 11.4 per cent to HK\$8.90.

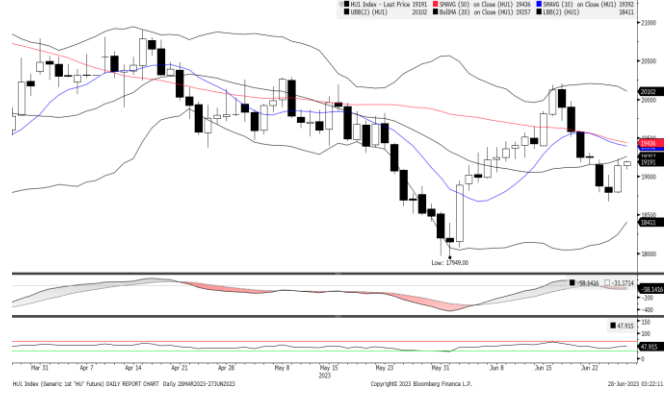
New World owns 60.9 per cent of NWS, a block worth HK\$21.8 billion, and intends to accept the offer, a move that will help lighten its debt burden. The developer, also controlled by the same family, proposed to dish out HK\$4 billion in special dividends as a sweetener to shareholders to approve the deal.

Limiting gains, electric vehicle maker BYD slid 0.8 per cent to HK\$252.60 after Berkshire Hathaway sold 2.53 million shares for HK\$675.8 million, a stock exchange filing showed. The sale lowered Berkshire's stake to 8.98 per cent from 9.21 per cent. The US investment firm has progressively trimmed its holdings since August last year.

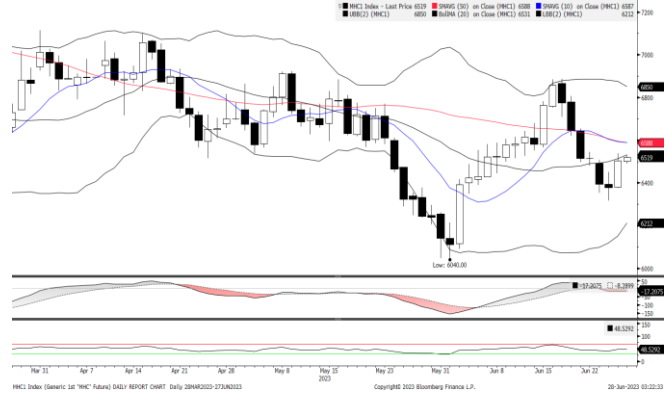
Asian markets were mixed. The Nikkei 225 in Japan slipped 0.5 per cent while the S&P/ASX 200 in Australia added 0.6 per cent. The Kospi in South Korea was little changed.

(Source: South China Morning Post)

Mini Hang Seng Futures Daily Chart



Mini Hang Seng China Enterprise Futures Daily Chart



Contracts	Chg	Sett	High	Low
H. SENG FUT JUN 23	342	19138	19226	18782
H. SENG FUT JUL 23	342	19055	19143	18701
H. SENG FUT SEP 23	345	19081	19156	18751
H. SENG FUT DEC 23	342	19138	19226	18782
MINI H. SENG FUT JUN 23	342	19138	19227	18779
MINI H. SENG FUT JUL 23	342	19055	19145	18680
MINI H. SENG FUT SEP 23	345	19081	19166	18742
MINI H. SENG FUT DEC 23	342	19138	19227	18779
HSCEI FUT JUN 23	126	6504	6537	6375
HSCEI FUT JUL 23	129	6439	6474	6308
HSCEI FUT SEP 23	131	6463	6490	6333
HSCEI FUT DEC 23	126	6504	6537	6375
MINI HSCEI FUT JUN 23	126	6504	6537	6375
MINI HSCEI FUT JUL 23	129	6439	6474	6310
MINI HSCEI FUT SEP 23	131	6463	6492	6334
MINI HSCEI FUT DEC 23	126	6504	6537	6375

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	79.05	1.95	79.45	77.5
**Tencent Holdings Ltd	341.4	8.6	344.4	332.8
*HSBC Holdings PLC	60.5	0.9	60.95	60
**China Construction Bank Corp	5.06	0.06	5.09	5
**Ping An Insurance Group	49.85	1.25	50.25	48.65
**Meituan	126.2	2.2	127.5	123.1
*Hong Kong Exchanges & Clearing Ltd	301.4	3.2	303.6	298
**Alibaba Group Holdings Ltd	85.45	2.2	85.75	83.65
**Xiaomi Corp	10.6	0.18	10.78	10.46
**ICBC	4.15	0.04	4.16	4.09

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	38.25	-0.2	38.9	37.9
**China Mobile Ltd	63.65	0.4	64.35	63.05
**Bank of China Ltd	3.15	0.04	3.18	3.11
*Techtronic Industries Co Ltd	86.25	1.75	86.9	83.7
*CK Hutchison Holdings Ltd	48.55	0.6	48.6	47.8
*Link REIT	44.1	0.5	44.2	43.65
*CLP Holding Ltd	60.4	0.3	60.85	60
**Geely Automobile Holdings Ltd	9.4	0.15	9.45	9.25
**CNOOC Ltd	11.24	0.2	11.4	11.06
**ANTA Sports Products Ltd	81.5	1.6	81.75	79.3

Global Equity Indices	Close	Change	High	Low
Hang Seng	19148.13	354	19226.3	18842.42
HSCEI	6504.62	132.43	6534.05	6379.87
Shanghai Comp Index	3189.44	38.824	3194.41	3148.266
Nikkei 225	32538.3	-160.48	32689.1	32306.99
KOSPI	2581.39	-0.81	2582	2568.52
S&P/ASX200	7118.21	39.558	7125.7	7078.7
DJIA	33926.7	212.03	33975.7	33730.39
S&P 500	4378.41	49.59	4384.42	4335
NASDAQ	13555.7	219.89	13578.8	13366.97
DAX	15846.9	33.8	15895.7	15758.13
CAC	7215.58	0.43	7236.21	7161.72
FTSE100	7461.46	7.88	7495.88	7428.11

Technical Analysis

Mini Hang Seng

1st Resistance:	19425	2nd Resistance:	19712
1st Support:	18851	2nd Support:	18564
MACD:	-57.948		
MACD DIFF:	-33.7702		
RSI:	46.9218		

Mini Hang Seng China Enterprise

1st Resistance:	6602	2nd Resistance:	6699
1st Support:	6406	2nd Support:	6309
MACD:	-17.548		
MACD DIFF:	-11.568		
RSI:	47.7801		

Strategy:

Mini Hang Seng:	Long: Profit target:	Stop-loss:	Long: Profit target:	Stop-loss:
	18851	19039	18757	18564
			18749	18471

Mini Hang Seng:	Short: Profit target:	Stop-loss:	Short: Profit target:	Stop-loss:
	19425	19231	19522	19712
			19515	19811

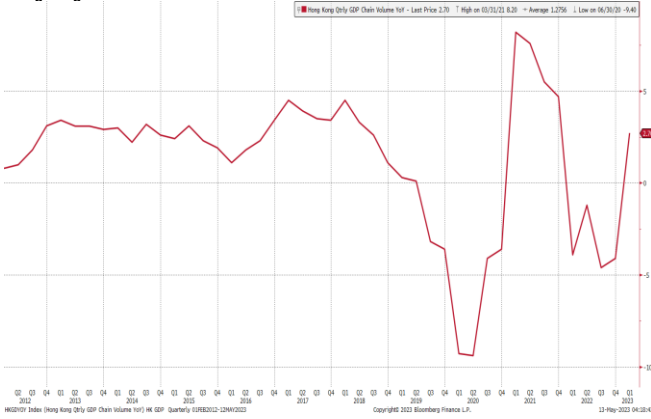
Mini Hang Seng China Enterprise:	Long: Profit target:	Stop-loss:	Long: Profit target:	Stop-loss:
	6406	6471	6374	6309
			6372	6277

Mini Hang Seng China Enterprise:	Short: Profit target:	Stop-loss:	Short: Profit target:	Stop-loss:
	6602	6536	6635	6699
			6632	6733

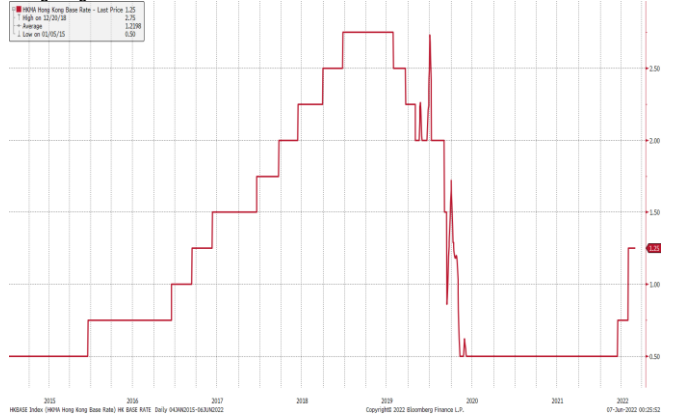
Hong Kong Economic Releases	Period	Survey	Actual	Prior	Revised	
06/27/2023 16:30	Exports YoY	May	-11.10%	-15.60%	-13.00%	--
06/27/2023 16:30	Imports YoY	May	-10.20%	-16.70%	-11.90%	--
06/27/2023 16:30	Trade Balance HKD	May	-33.3b	-26.4b	-36.6b	--
06/30/2023	Money Supply M3 HKD YoY	May	--	--	0.90%	--
06/30/2023	Budget Balance HKD	May	--	--	-34.7b	--
06/30/2023	Money Supply M1 HKD YoY	May	--	--	-19.90%	--
06/30/2023	Money Supply M2 HKD YoY	May	--	--	0.90%	--
07/03/2023 16:30	Retail Sales Value YoY	May	--	--	15.00%	--
07/03/2023 16:30	Retail Sales Volume YoY	May	--	--	13.30%	--
07/05/2023 08:30	S&P Global Hong Kong PMI	Jun	--	--	50.6	--

China Economic Releases	Period	Survey	Actual	Prior	Revised	
06/28/2023 09:30	Industrial Profits YoY	May	--	--	-18.20%	--
06/28/2023 09:30	Industrial Profits YTD YoY	May	--	--	-20.60%	--
06/28/2023 10:00	Bloomberg June China Economic Survey					
06/30/2023 09:30	Composite PMI	Jun	--	--	52.9	--
06/30/2023 09:30	Manufacturing PMI	Jun	49	--	48.8	--
06/30/2023 09:30	Non-manufacturing PMI	Jun	53.3	--	54.5	--
06/30/2023	BoP Current Account Balance	1Q F	--	--	\$82.0b	--
07/03/2023 09:45	Caixin China PMI Mfg	Jun	50	--	50.9	--
07/05/2023 09:45	Caixin China PMI Composite	Jun	--	--	55.6	--
07/05/2023 09:45	Caixin China PMI Services	Jun	55.6	--	57.1	--

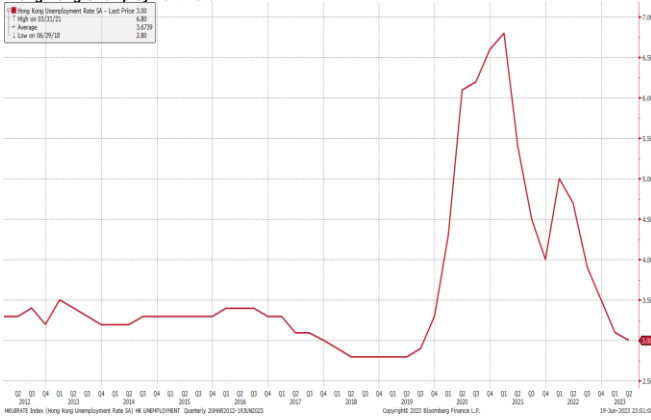
Hong Kong GDP Q on Q



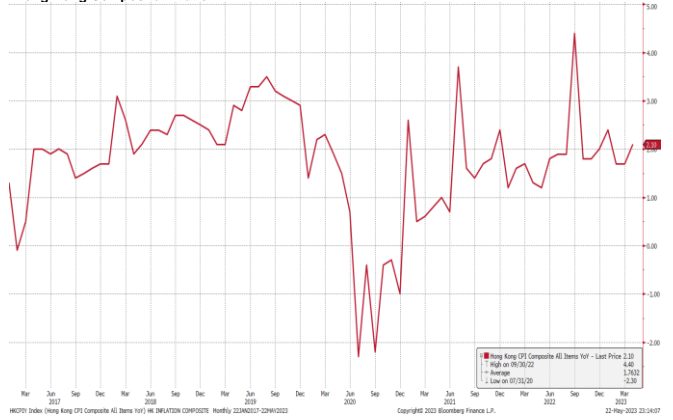
Hong Kong Base Interest Rate



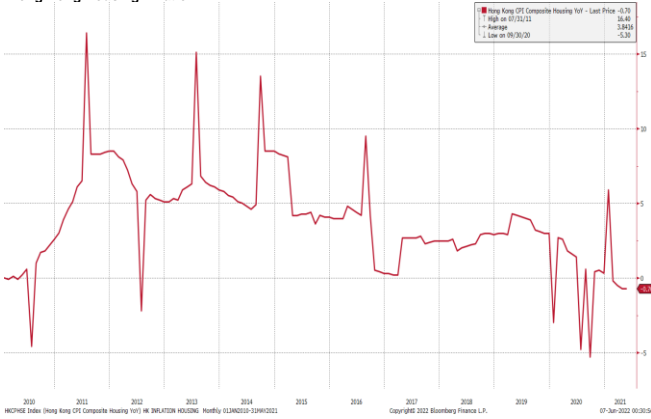
Hong Kong Unemployment Rate



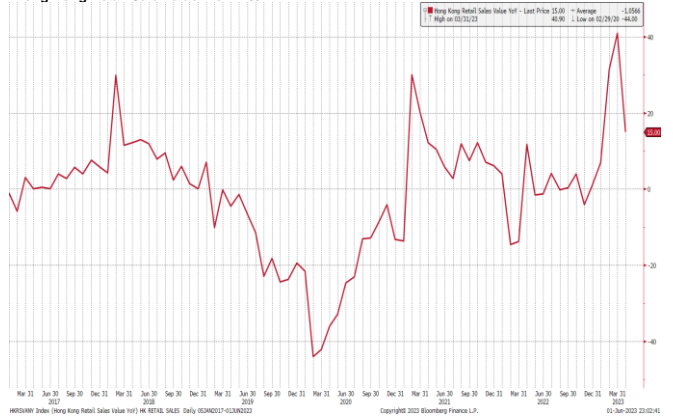
Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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