

Fundamentals:

Hong Kong stocks rose, led by Alibaba Group and Tencent Holdings, as traders bet the latest billion-dollar fines will put an end to regulatory clampdown on tech firms. Gains were restrained amid concerns about deepening deflation in mainland China.

The Hang Seng Index advanced 0.6 per cent to 18,479.72 at the close of Monday trading, recovering from a five-week low. The benchmark earlier surged by as much as 2.2 per cent. The Tech Index added 1.1 per cent while the Shanghai Composite Index advanced 0.2 per cent.

Alibaba Group climbed 3.2 per cent to HK\$87, following an 8 per cent rally in New York trading on Friday in the stock's biggest gain since March. Tencent gained 0.7 per cent to HK\$328.80. Tech peers like Meituan added 1.7 per cent to HK\$121.10 while Baidu strengthened 0.2 per cent to HK\$137.70.

The People's Bank of China on Friday penalised Ant Group, an Alibaba Group Holding affiliate, 7.12 billion yuan (US\$984.3 million) in what analysts deemed as the closure to years of crackdown on unfair market practices. The central bank fined Alipay 3.09 billion yuan and Tenpay 2.99 billion yuan. Alibaba Group is the owner of this newspaper.

"The fines are significant yet still indecipherable," said Brock Silvers, chief investment officer at Kaiyuan Capital in Hong Kong. "As one-off expenses, they will not change long-term views. Confidence in China's investability has hit a generational low, and regulatory instability could re-emerge at any moment with new, unexplained and unappealable billion-dollar fines."

The MSCI China Index, dominated by tech giants listed at home and abroad, has lost more than US\$1 trillion in market value since its peak in early 2021, according to Bloomberg data, in the aftermath of China's antitrust crackdown and Covid-19 lockdowns.

Consumer prices in China stalled in June from a year earlier, after gaining 0.2 per cent in May, the statistics bureau said on Monday. Producer prices shrank 5.4 per cent, adding to 4.6 per cent decline from May, a separate report showed.

Stocks wavered as bets on a US rate hike later this month gained momentum, after government reports last week showed a resilient job market in spite of policy tightening since March last year.

Elsewhere, key Asian markets traded lower. The Nikkei 225 in Japan lost 0.6 per cent while the Kospi in South Korea dropped 0.2 per cent and the S&P/ASX 200 in Australia fell 0.5 per cent.

(Source: South China Morning Post)

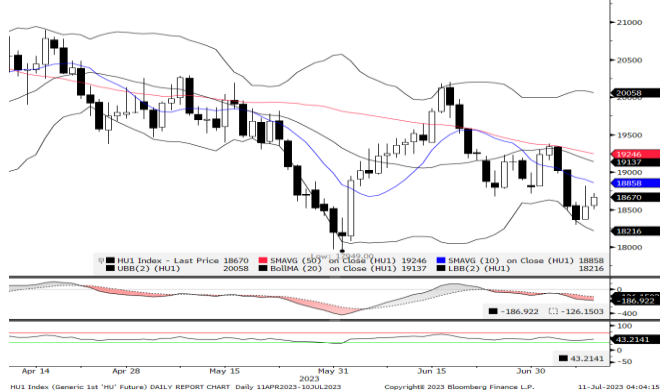
Contracts	Chg	Sett	High	Low
H. SENG FUT JUL 23	176	18544	18822	18373
H. SENG FUT AUG 23	166	18580	18863	18431
H. SENG FUT SEP 23	173	18577	18850	18426
H. SENG FUT DEC 23	176	18544	18822	18373
MINI H. SENG FUT JUL 23	176	18544	18820	18367
MINI H. SENG FUT AUG 23	166	18580	18858	18430
MINI H. SENG FUT SEP 23	173	18577	18850	18418
MINI H. SENG FUT DEC 23	176	18544	18820	18367
HSCEI FUT JUL 23	63	6260	6368	6202
HSCEI FUT AUG 23	61	6287	6382	6235
HSCEI FUT SEP 23	62	6286	6389	6296
HSCEI FUT DEC 23	63	6260	6368	6202
MINI HSCEI FUT JUL 23	63	6260	6367	6202
MINI HSCEI FUT AUG 23	61	6287	6389	6245
MINI HSCEI FUT SEP 23	62	6286	6390	6245
MINI HSCEI FUT DEC 23	63	6260	6367	6202

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	76.65	0.1	78.15	76.35
**Tencent Holdings Ltd	328.8	2.2	335.8	327.4
*HSBC Holdings PLC	60.95	0.3	61.7	60.85
**China Construction Bank Corp	4.38	0.01	4.47	4.35
**Ping An Insurance Group	48.65	-0.25	50.15	48.6
**Meituan	121.1	2	123.9	120.6
*Hong Kong Exchanges & Clearing Ltd	282.8	0.6	288.8	280
**Alibaba Group Holdings Ltd	87	2.7	89	86
**Xiaomi Corp	10.66	-0.14	11.06	10.62
**ICBC	3.59	-0.02	3.66	3.56

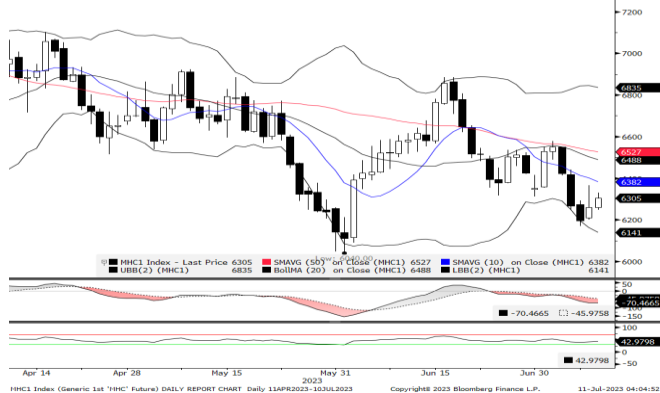
Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	38	0.2	39.25	37.2
**China Mobile Ltd	62.65	-0.45	63.85	62.3
**Bank of China Ltd	2.75	-0.01	2.8	2.73
*Techtronic Industries Co Ltd	82.15	0.8	83.2	82.05
*CK Hutchison Holdings Ltd	46.1	0.1	46.7	45.85
*Link REIT	42	0.05	42.35	41.9
*CLP Holding Ltd	58.8	-0.4	59.8	58.75
**Geely Automobile Holdings Ltd	9.6	-0.04	9.9	9.51
**CNOOC Ltd	11.62	0.04	11.82	11.6
**ANTA Sports Products Ltd	78.25	0.95	80.3	77.8

Global Equity Indices	Close	Change	High	Low
Hang Seng	18479.72	114.02	18781.2	18417.63
HSCEI	6235.24	36.38	6348.24	6209.19
Shanghai Comp Index	3203.7	7.087	3216.54	3192.658
Nikkei 225	32189.7	-198.69	32559	32065.63
KOSPI	2520.7	-6.01	2539.63	2517.67
S&P/ASX200	7004.03	-38.239	7085.2	6998.1
DJIA	33944.4	209.52	33958.4	33705.68
S&P 500	4401.91	2.96	4412.6	4389.92
NASDAQ	13685.5	24.76	13692.4	13584.87
DAX	15673.2	69.76	15722	15545.33
CAC	7143.69	0.45	7173.65	7082.46
FTSE100	7273.79	16.85	7306.09	7238.72

Mini Hang Seng Futures Daily Chart



Mini Hang Seng China Enterprise Futures Daily Chart



Technical Analysis

Mini Hang Seng

1st Resistance: 18822 2nd Resistance: 19100
 1st Support: 18266 2nd Support: 17988
 MACD: -183.092
 MACD DIFF: -72.2628
 RSI: 40.7499

Mini Hang Seng China Enterprise

1st Resistance: 6354 2nd Resistance: 6448
 1st Support: 6166 2nd Support: 6072
 MACD: -68.559
 MACD DIFF: -28.751
 RSI: 40.6325

Strategy:

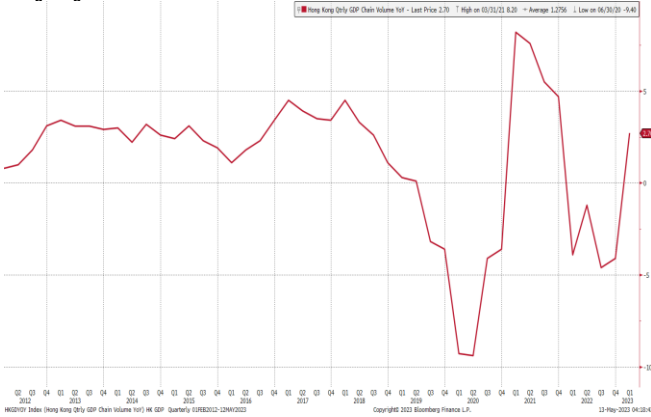
<i>Mini Hang Seng:</i>		Long: Profit target:	Stop-loss:	Long: Profit target:	Stop-loss:
18266	18448	18175	17988	18168	17898
		Short: Profit target:	Stop-loss:	Short: Profit target:	Stop-loss:
18822	18634	18916	19100	18909	19196

<i>Mini Hang Seng China Enterprise:</i>		Long: Profit target:	Stop-loss:	Long: Profit target:	Stop-loss:
6166	6228	6135	6072	6133	6042
		Short: Profit target:	Stop-loss:	Short: Profit target:	Stop-loss:
6354	6290	6386	6448	6383	6480

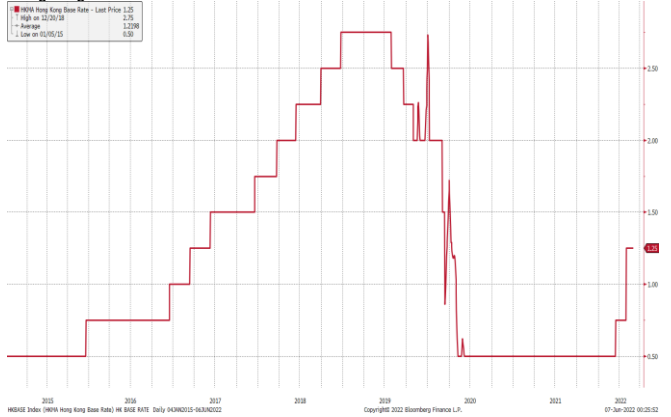
Hong Kong Economic Releases	Period	Survey	Actual	Prior	Revised	
07/07/2023 16:30	Foreign Reserves	Jun	--	\$417.3b	\$421.0b	--

China Economic Releases	Period	Survey	Actual	Prior	Revised	
07/07/2023 16:00	Foreign Reserves	Jun	\$3180.00b	\$3193.00b	\$3176.51b	--
07/10/2023 09:30	CPI YoY	Jun	0.002	0	0.002	--
07/10/2023 09:30	PPI YoY	Jun	-5.00%	-0.054	-4.60%	--
07/10/2023 07:15	Aggregate Financing CNY	Jun	3100.0b	--	1560.0b	1555.6b
07/11/2023 07:18	FDI YTD YoY CNY	Jun	--	--	0.001	--
07/10/2023 07:15	Money Supply M2 YoY	Jun	11.20%	--	11.60%	--
07/10/2023 07:15	Money Supply M0 YoY	Jun	--	--	9.60%	--
07/10/2023 07:15	New Yuan Loans CNY	Jun	2318.5b	--	1360.0b	1362.8b
07/10/2023 07:15	Money Supply M1 YoY	Jun	0.044	--	4.70%	--
07/13/2023	Trade Balance	Jun	\$74.80b	--	\$65.81b	\$65.79b
07/13/2023	Exports YoY	Jun	-10.00%	--	-7.50%	--
07/13/2023	Imports YoY	Jun	-4.10%	--	-4.50%	--
07/13/2023	Exports YoY CNY	Jun	--	--	-0.80%	--
07/13/2023	Imports YoY CNY	Jun	--	--	2.30%	--
07/13/2023	Trade Balance CNY	Jun	--	--	452.33b	--

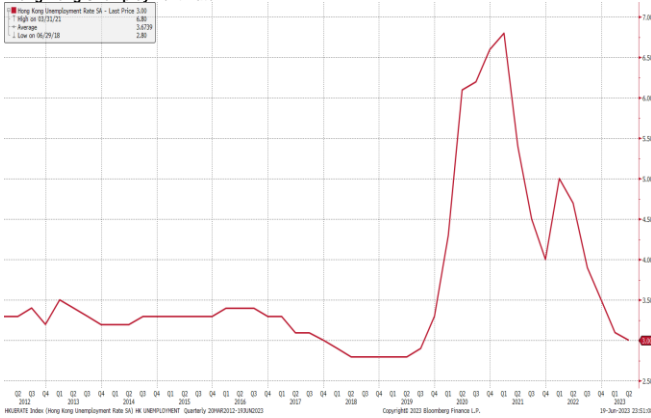
Hong Kong GDP Q on Q



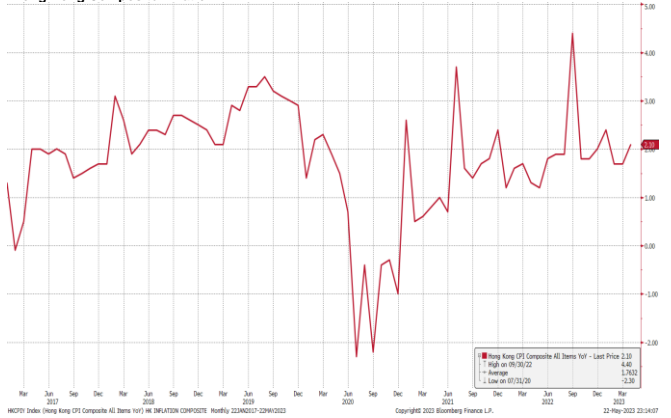
Hong Kong Base Interest Rate



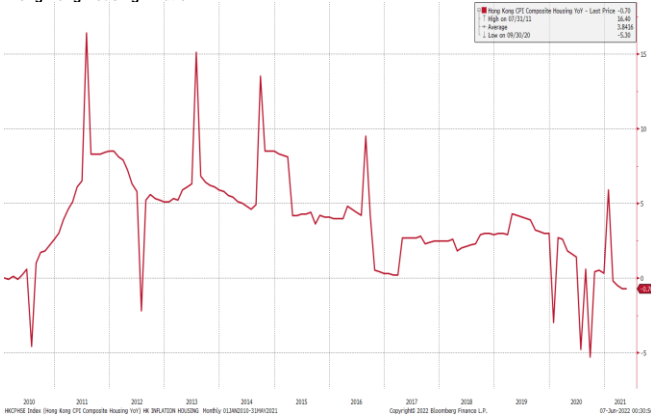
Hong Kong Unemployment Rate



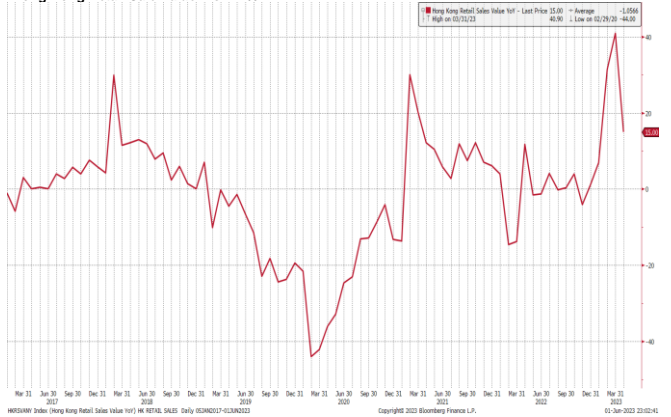
Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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