

Fundamentals:

Hong Kong stocks surged, fuelled by the biggest rally in Chinese developers since November, after Beijing turned more dovish than expected in its post-Politburo meeting statement by signalling stronger stimulus measures to overcome a slump in the housing market.

The Hang Seng Index jumped 4.1 per cent to 19,434.40 at the close of Tuesday trading, the most since March 1. The Tech Index rallied 6 per cent, while the Shanghai Composite Index advanced 2.1 per cent. US-listed Chinese stocks climbed 4.3 per cent overnight, the most in six months.

Developer Country Garden jumped 18 per cent to HK\$1.49, Longfor rallied 26 per cent to HK\$18.56 and China Overseas Land jumped 12 per cent to HK\$17.74. Alibaba Group advanced 6.3 per cent to HK\$95.15 and Tencent added 6.2 per cent to HK\$345 while JD.com increased 7.7 per cent to HK\$152.30.

All 10 members of the Hang Seng Mainland Properties Index advanced as the gauge surged 14.1 per cent, heading for its biggest gain since a 18 per cent rally on March 17 in 2022, according to Bloomberg data.

The Communist Party held its midyear Politburo meeting on Monday and vowed to strengthen countercyclical efforts amid global headwinds. The statement omitted the "housing is for living in, not for speculation" mantra, mentioned streamlining of property policies, and called for measures to defuse risk in local government debt.

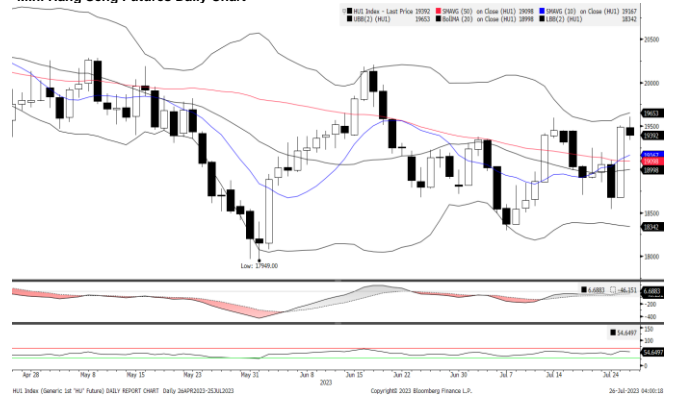
Stocks in Hong Kong have struggled to sustain a rally from late last year as China's economic reopening lost steam, with manufacturing contracting and consumer spending limping through the second quarter. The Hang Seng Index has dropped 1.8 per cent this year, underperforming major Asian markets, while analysts trimmed their growth forecasts and lowered expectations for a massive stimulus package.

Foreign investors were net buyers of 19 billion yuan (US\$2.7 billion) worth of onshore stocks on Tuesday, according to Stock Connect data. Mainland investors, however, pulled HK\$6.1 billion (US\$854 million) from the city's stock market.

Two stocks debuted on Tuesday. In Shenzhen, Sichuan Gangtong Medical Equipment jumped 32 per cent to 41.14 yuan, while Jiangxi First Hydraulic rallied 27 per cent to 40.58 yuan. Major Asian markets were mixed. The Nikkei 225 Index in Japan fell 0.1 per cent, while the Kospi Index in Korea climbed 0.3 per cent and the S&P/ASX 200 Index in Australia added 0.5 per cent.

(Source: South China Morning Post)

Mini Hang Seng Futures Daily Chart



Mini Hang Seng China Enterprise Futures Daily Chart



Technical Analysis

Mini Hang Seng

1st Resistance:	19779	2nd Resistance:	20072
1st Support:	19195	2nd Support:	18902
MACD:	-22.143		
MACD DIFF:	37.337		
RSI:	56.2342		

Mini Hang Seng China Enterprise

1st Resistance:	6723	2nd Resistance:	6823
1st Support:	6525	2nd Support:	6425
MACD:	-15.864		
MACD DIFF:	13.777		
RSI:	57.0974		

Strategy:

Mini Hang Seng:	Long: Profit target: 19195	Stop-loss: 19387	19099	Long: Profit target: 18902	Stop-loss: 19091	18808
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	Short: Profit target: 19779	Stop-loss: 19582	19878	Short: Profit target: 20072	Stop-loss: 19871	20172
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Mini Hang Seng China Enterprise:	Long: Profit target: 6525	Stop-loss: 6590	6492	Long: Profit target: 6425	Stop-loss: 6490	6393
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	Short: Profit target: 6723	Stop-loss: 6656	6757	Short: Profit target: 6823	Stop-loss: 6754	6857
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Contracts	Chg	Sett	High	Low
H. SENG FUT JUL 23	810	19487	19505	18678
H. SENG FUT AUG 23	832	19529	19547	18710
H. SENG FUT SEP 23	817	19523	19538	18742
H. SENG FUT DEC 23	810	19487	19505	18678
MINI H. SENG FUT JUL 23	810	19487	19505	18669
MINI H. SENG FUT AUG 23	832	19529	19545	18709
MINI H. SENG FUT SEP 23	817	19523	19534	18720
MINI H. SENG FUT DEC 23	810	19487	19505	18669
HSCEI FUT JUL 23	352	6624	6632	6274
HSCEI FUT AUG 23	361	6654	6659	6302
HSCEI FUT SEP 23	356	6647	6648	6320
HSCEI FUT DEC 23	352	6624	6632	6274
MINI HSCEI FUT JUL 23	352	6624	6631	6255
MINI HSCEI FUT AUG 23	361	6654	6658	6299
MINI HSCEI FUT SEP 23	356	6647	6650	6321
MINI HSCEI FUT DEC 23	352	6624	6631	6255

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	76.95	1.25	77.45	76.05
**Tencent Holdings Ltd	345	20	345.6	335
*HSBC Holdings PLC	64.5	0.8	64.8	64.15
**China Construction Bank Corp	4.43	0.16	4.46	4.32
**Ping An Insurance Group	52.45	3.65	53	50.55
**Meituan	134.8	9.8	135.2	129.8
*Hong Kong Exchanges & Clearing Ltd	306	15.8	306.8	297.6
**Alibaba Group Holdings Ltd	95.15	5.6	95.15	92.95
**Xiaomi Corp	11.48	0.46	11.5	11.24
**ICBC	3.69	0.1	3.73	3.61

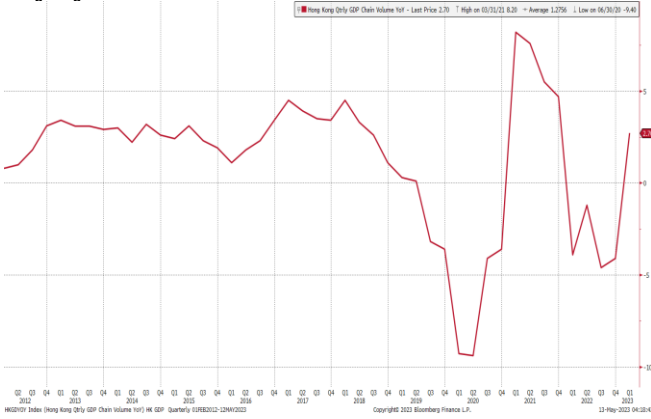
Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	41.7	1.15	42.25	41.2
**China Mobile Ltd	65	0.5	65.25	64.65
**Bank of China Ltd	2.82	0.09	2.83	2.76
*Techtronic Industries Co Ltd	84.5	1	85.7	83.3
*CK Hutchison Holdings Ltd	47.8	0.6	48.2	47.5
*Link REIT	43.75	0.55	44.05	43.35
*CLP Holding Ltd	61.5	0.1	62	61.35
**Geely Automobile Holdings Ltd	10.1	0.73	10.14	9.64
**CNOOC Ltd	12.34	0.28	12.58	12.26
**ANTA Sports Products Ltd	86.45	4.8	87.45	84.05

Global Equity Indices	Close	Change	High	Low
Hang Seng	19434.40	766.25	19465.3	19111.82
HSCEI	6604.2	333.17	6614.48	6470.42
Shanghai Comp Index	3231.52	67.36	3231.75	3201.458
Nikkei 225	32682.5	-18.43	32715.6	32509.94
KOSPI	2636.46	7.93	2646.71	2621.6
S&P/ASX200	7339.67	33.26	7344.9	7306.4
DJIA	35438.1	26.83	35527.6	35365.26
S&P 500	4567.46	12.82	4580.62	4552.42
NASDAQ	14144.6	85.69	14201.9	14092.52
DAX	16211.6	20.64	16225.9	16135.6
CAC	7415.45	-0.16	7450.37	7401.83
FTSE100	7691.8	13.21	7702.35	7676.5

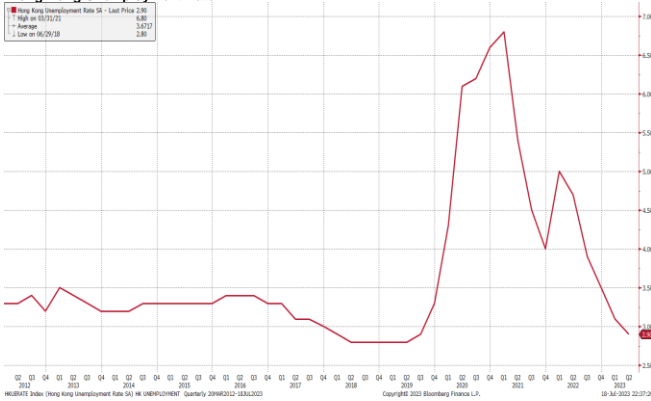
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
07/25/2023 16:30	Exports YoY	Jun	-15.10%	-11.40%	-15.60%	--
07/25/2023 16:30	Imports YoY	Jun	-17.50%	-12.30%	-16.70%	--
07/25/2023 16:30	Trade Balance HKD	Jun	-44.4b	-56.6b	-26.4b	--
07/31/2023 16:30	GDP YoY	2Q A	--	--	2.70%	--
07/31/2023 16:30	GDP SA QoQ	2Q A	--	--	5.30%	--
07/31/2023	Money Supply M3 HKD YoY	Jun	--	--	1.00%	--
07/31/2023	Budget Balance HKD	Jun	--	--	-37.1b	--
07/31/2023	Money Supply M1 HKD YoY	Jun	--	--	-19.90%	--
07/31/2023	Money Supply M2 HKD YoY	Jun	--	--	1.00%	--
08/01/2023 16:30	Retail Sales Value YoY	Jun	--	--	18.40%	--
08/01/2023 16:30	Retail Sales Volume YoY	Jun	--	--	16.50%	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
07/26/2023	Bloomberg July China Economic Survey					
07/27/2023 09:30	Industrial Profits YoY	Jun	--	--	-12.60%	--
07/27/2023 09:30	Industrial Profits YTD YoY	Jun	--	--	-18.80%	--
07/31/2023 09:30	Composite PMI	Jul	--	--	52.3	--
07/31/2023 09:30	Manufacturing PMI	Jul	--	--	49	--
07/31/2023 09:30	Non-manufacturing PMI	Jul	--	--	53.2	--

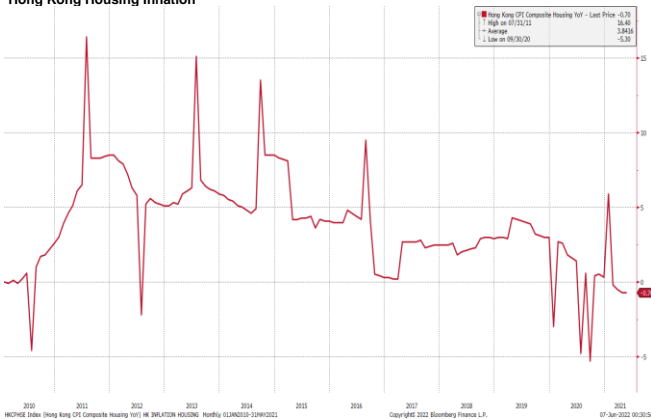
Hong Kong GDP Q on Q



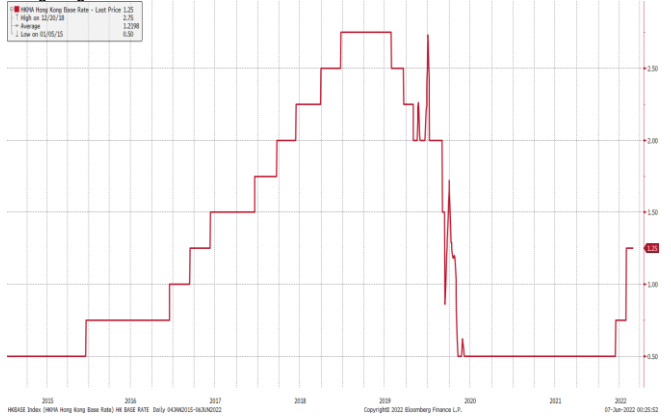
Hong Kong Unemployment Rate



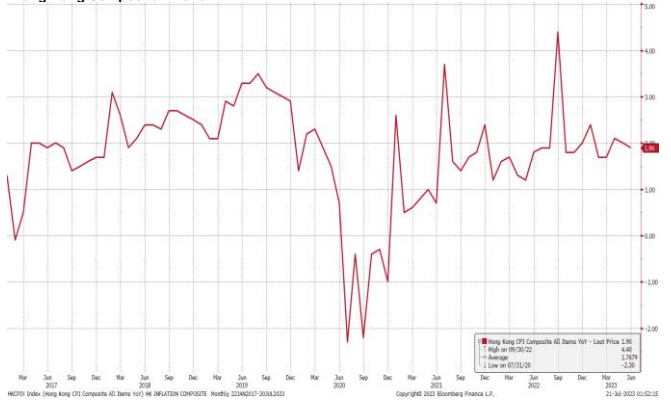
Hong Kong Housing Inflation



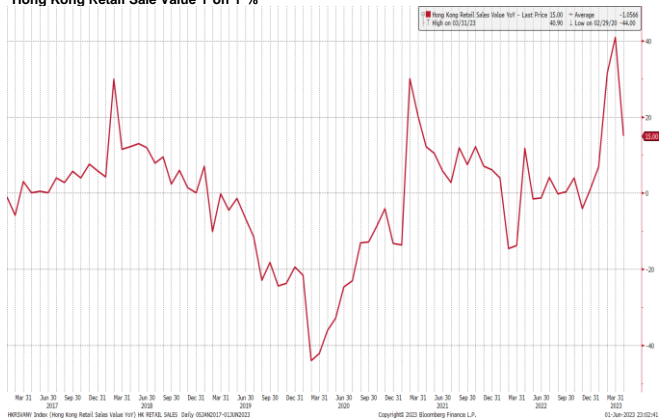
Hong Kong Base Interest Rate



Hong Kong Composite Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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