

**Fundamentals:**

Chinese tech stocks in Hong Kong rallied into bull-market territory as investors bought into China's pledge to support the sector and revive the broader economy. Electric-car maker Xpeng added a record rally from Thursday.

The Hang Seng Index advanced 1.4 per cent to 19,916.56 at the closing of Friday trading, bringing the gain this week to 4.4 per cent and to the highest level since June 16. The Tech Index jumped 2.9 per cent, culminating in a 23.2 per cent surge from late-MAY into bull market zone. The Shanghai Composite Index jumped 1.8 per cent.

Tencent added 1.9 per cent to HK\$350.40, Meituan jumped 4.2 per cent to HK\$142.40, while Baidu gained 2.1 per cent to HK\$148.70. JD.com climbed 1.4 per cent to HK\$153.40 and chip maker SMIC jumped 2.7 per cent to HK\$19.62.

Bullish traders rushed back into the market on bets the Federal Reserve will pause its tightening in the September meeting. Foreign investors bought 34.5 billion yuan (US\$4.8 billion) worth of onshore stocks this week, the biggest five-day inflows since January, Stock Connect data showed. Chinese funds, meanwhile, bought HK\$8.3 billion (US\$1.1 billion) of those listed in Hong Kong.

China this month strengthened its support for private businesses. Policymakers have asked tech giants including Tencent and Meituan to provide case studies of their most successful start-up investments, Bloomberg reported, while the central bank called on lenders to help fund technology research and M&A deals.

Also, the Chinese government this week approved 86 new video game licences to underline its pivot since state-run media called them "spiritual opium" during the years-long clampdown. More than 600 games have made it into the market this year, surpassing 466 in all of 2022.

Elsewhere, the housing ministry on Thursday said further property easing measures would be introduced, including lowering the down payment ratio and mortgage rates for first-time homebuyers and allowing tax rebates for home upgrades, state-run Xinhua News Agency reported.

Sequential growth in China should improve in the second half from its second quarter trough as further policy easing measures in the next few months and the export is likely to stabilise, Goldman Sachs said. "The window for a tactical bounce for Chinese stocks is now open," it said in a report.

Meanwhile, Xpeng advanced 5.1 per cent to HK\$85.10, after posting a record 34 per cent surge on Thursday. Still, the stock's technical indicator showed the rally is overstretched with its 14-day relative-strength index rising past the 70-point threshold, a level deemed excessive.

Wuhan Yifi Laser jumped 21 per cent to 56.50 yuan in Shanghai, the only market debutant on Friday.

Major Asian markets traded mixed on Friday. The S&P/ASX 200 Index in Australia declined 0.7 per cent and the Nikkei 225 Index in Japan retreated 0.4 per cent, while the Kospi Index in Korea gained 0.2 per cent.

Contracts	Chg	Sett	High	Low
H. SENG FUT JUL 23	110	19782	19794	19318
H. SENG FUT AUG 23	234	19964	20003	19365
H. SENG FUT SEP 23	243	19963	19998	19380
H. SENG FUT DEC 23	110	19782	19794	19318
MINI H. SENG FUT JUL 23	110	19782	19792	19318
MINI H. SENG FUT AUG 23	234	19964	20002	19363
MINI H. SENG FUT SEP 23	243	19963	20000	19366
MINI H. SENG FUT DEC 23	110	19782	19792	19318
HSCEI FUT JUL 23	75	6759	6763	6551
HSCEI FUT AUG 23	121	6835	6857	6578
HSCEI FUT SEP 23	125	6830	6845	6618
HSCEI FUT DEC 23	75	6759	6763	6551
MINI HSCEI FUT JUL 23	75	6759	6762	6551
MINI HSCEI FUT AUG 23	121	6835	6858	6580
MINI HSCEI FUT SEP 23	125	6830	6848	6580
MINI HSCEI FUT DEC 23	75	6759	6762	6551

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	77.95	-0.25	78.45	76.7
**Tencent Holdings Ltd	350.4	6.6	352	338.6
*HSBC Holdings PLC	64.8	-0.15	64.8	63.55
**China Construction Bank Corp	4.48	0.06	4.49	4.38
**Ping An Insurance Group	56.15	2.45	56.2	52.85
**Meituan	142.4	5.8	143	133.9
*Hong Kong Exchanges & Clearing Ltd	324.2	16.2	326	302.8
**Alibaba Group Holdings Ltd	95.9	0.45	96.5	93.3
**Xiaomi Corp	12.18	0.14	12.22	11.86
**ICBC	3.74	0.04	3.76	3.67

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	43.3	1.4	44.35	40.6
**China Mobile Ltd	65	-0.2	65.2	64.6
**Bank of China Ltd	2.86	0.03	2.88	2.8
*Techtronic Industries Co Ltd	87.95	0.5	88.1	85.15
*CK Hutchison Holdings Ltd	48.45	-0.1	48.55	47.75
*Link REIT	44.1	-0.75	44.9	44.05
*CLP Holding Ltd	63.5	0.75	63.6	61.9
**Geely Automobile Holdings Ltd	10.94	0.04	11.06	10.64
**CNOOC Ltd	12.42	0.04	12.52	12.28
**ANTA Sports Products Ltd	89.85	2.35	90.5	86.4

Global Equity Indices	Close	Change	High	Low
Hang Seng	19916.56	277.45	19940.6	19381.9
HSCEI	6808.47	137.79	6823.86	6590.28
Shanghai Comp Index	3275.93	59.255	3280.28	3200.994
Nikkei 225	32759.2	-131.93	32847	32037.55
KOSPI	2608.32	4.51	2609.54	2586.33
S&P/ASX200	7403.65	-52.27	7455.9	7356.4
DJIA	35459.3	176.57	35565.5	35355.15
S&P 500	4582.23	44.82	4590.16	4564.01
NASDAQ	14316.7	266.55	14344.4	14188.1
DAX	16469.8	63.72	16490.1	16336.42
CAC	7476.47	0.15	7498.94	7416.2
FTSE100	7694.27	1.51	7716.82	7680.19

**Mini Hang Seng Futures Daily Chart**



**Mini Hang Seng China Enterprise Futures Daily Chart**



**Technical Analysis**

**Mini Hang Seng**

1st Resistance:	20079	2nd Resistance:	20375
1st Support:	19485	2nd Support:	19189
MACD:	93.893		
MACD DIFF:	96.8376		
RSI:	59.696		

**Mini Hang Seng China Enterprise**

1st Resistance:	6860	2nd Resistance:	6962
1st Support:	6658	2nd Support:	6556
MACD:	34.818		
MACD DIFF:	41.439		
RSI:	60.803		

**Strategy:**

<b>Mini Hang Seng:</b>	Long: Profit target: 19485	Stop-loss: 19680	19388	Long: Profit target: 19189	Stop-loss: 19380	19093
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Short: Profit target: 20079	Stop-loss: 19878	20179	Short: Profit target: 20375	Stop-loss: 20172	20477
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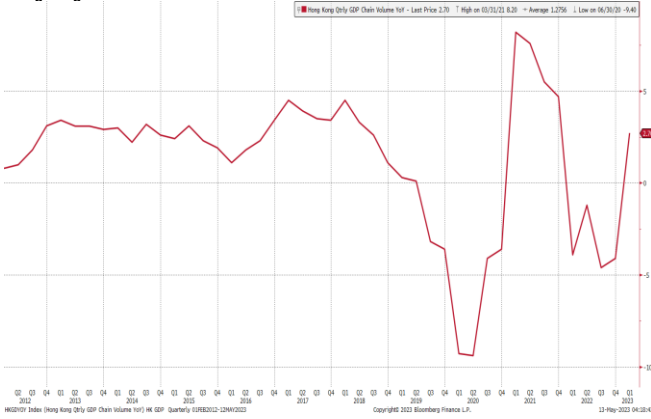
<b>Mini Hang Seng China Enterprise:</b>	Long: Profit target: 6658	Stop-loss: 6724	6624	Long: Profit target: 6556	Stop-loss: 6622	6523
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Short: Profit target: 6860	Stop-loss: 6792	6895	Short: Profit target: 6962	Stop-loss: 6892	6997
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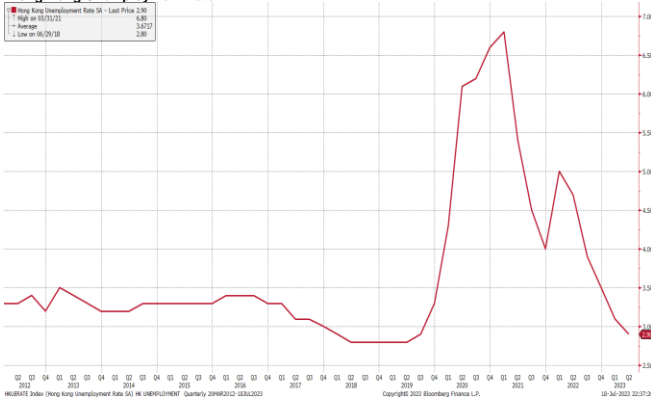
Hong Kong Economic Releases	Period	Survey	Actual	Prior	Revised
07/31/2023 16:30	GDP YoY	2Q A	3.50%	--	2.70%
07/31/2023 16:30	GDP SA QoQ	2Q A	--	--	5.30%
07/31/2023	Money Supply M3 HKD YoY	Jun	--	--	1.00%
07/31/2023	Budget Balance HKD	Jun	--	--	-37.1b
07/31/2023	Money Supply M1 HKD YoY	Jun	--	--	-19.90%
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
07/31/2023 09:30	Composite PMI	Jul	--	--	52.3
07/31/2023 09:30	Manufacturing PMI	Jul	48.9	--	49
07/31/2023 09:30	Non-manufacturing PMI	Jul	53	--	53.2
08/01/2023 09:45	Caixin China PMI Mfg	Jul	50.1	--	50.5
08/03/2023 09:45	Caixin China PMI Composite	Jul	--	--	52.5
08/03/2023 09:45	Caixin China PMI Services	Jul	52.7	--	53.9

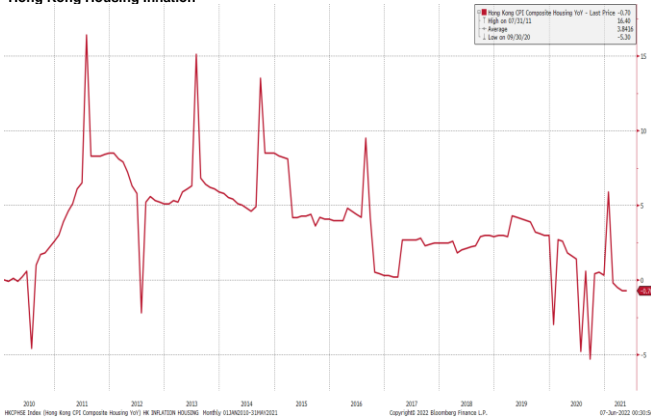
### Hong Kong GDP Q on Q



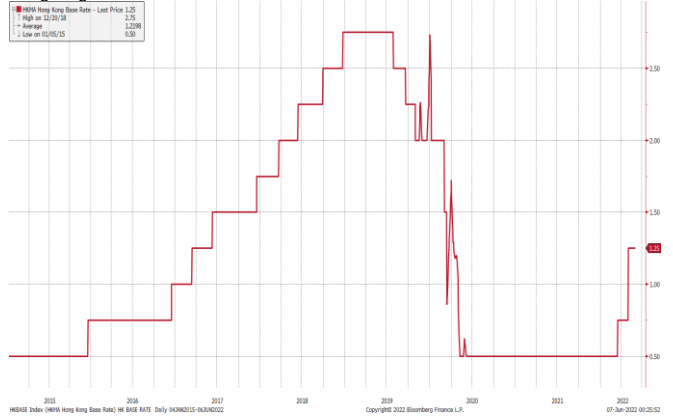
### Hong Kong Unemployment Rate



### Hong Kong Housing Inflation



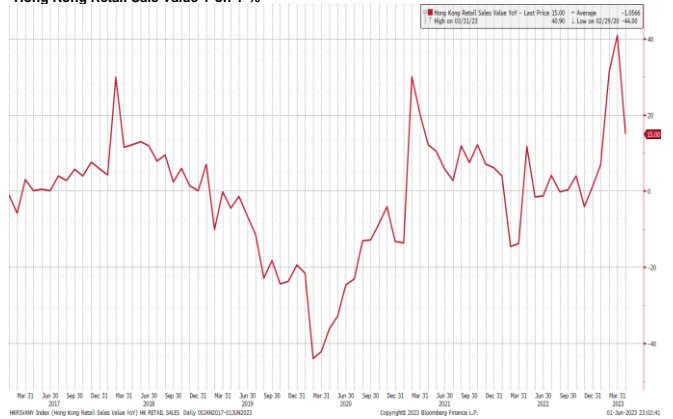
### Hong Kong Base Interest Rate



### Hong Kong Composite Inflation



### Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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