

Fundamentals:

Hong Kong stocks completed a second week of losses on concerns the downturn in China's property market will persist and the slowdown in economic growth will deepen.

The Hang Seng Index fell 0.9 per cent to 19,075.19 at the close. The benchmark finished the week with a 2.4 per cent decline, extending a 1.9 per cent drop in the previous five-day period. The Hang Seng Tech Index dropped 2.4 per cent, while the Shanghai Composite Index retreated 2 per cent, its steepest decline since October 28.

Country Garden Holdings tumbled to close below HK\$1 for the first time since its 2007 listing after the Chinese property developer forecast a huge loss for the first half. MTR, the city's subway operator, dropped after first-half results trailed projections. Alibaba Group Holding bucked the decline on the broader market after revenue for the quarter ended June increased by the most in a year and profit beat estimates.

Lack of conviction about more forceful supportive measures has sidelined investors, who are disappointed by the absence of follow-up stimulus after a July Politburo meeting chaired by Party chief Xi Jinping hinted at a more dovish tone on spurring growth. Concerns about a deteriorating growth outlook have intensified after the latest data showed that exports declined by the most in three years last month and both consumer and producer prices slid into deflationary territory.

Country Garden, the Foshan-based home builder, slumped 5.8 per cent to HK\$0.98 after saying that it expects to post a loss of between 45 billion yuan (US\$6.2 billion) and 55 billion yuan because of impairment on property projects and shrinking margins.

Its property-management affiliate Country Garden Services Holdings lost 2.5 per cent to HK\$7.46 and Longfor Group Holdings fell 1.2 per cent to HK\$17.48. Fantasia Holdings Group tumbled 55 per cent to HK\$0.090 as trading in the stock resumed after being suspended since April 1, 2022.

MTR slipped 0.7 per cent to HK\$35 after its first-half profit of HK\$4.18 billion (US\$535 million) trailed a Bloomberg-compiled analysts' estimate by 19 per cent.

Alibaba advanced 1.1 per cent to HK\$95.30 after revenue for the quarter ended June increased by the most in a year and profit beat estimates. Its revenue increased 14 per cent from a year earlier while net income rose 51 per cent.

Chinese sportswear maker Li Ning added 0.8 per cent to HK\$43.70 as investors looked past a 3.1 per cent drop in first-half profit and expected an improved business outlook.

So far, 22 out of the Hang Seng Index members have released interim results, with average profit growth of 2.7 per cent, slowing from a 5.6 per cent increase last year, according to Bloomberg data.

Beijing Sys Science and Technology, which makes water-treatment equipment, jumped 113 per cent to 96 yuan on the first day of trading in Shenzhen.

(Source: South China Morning Post)

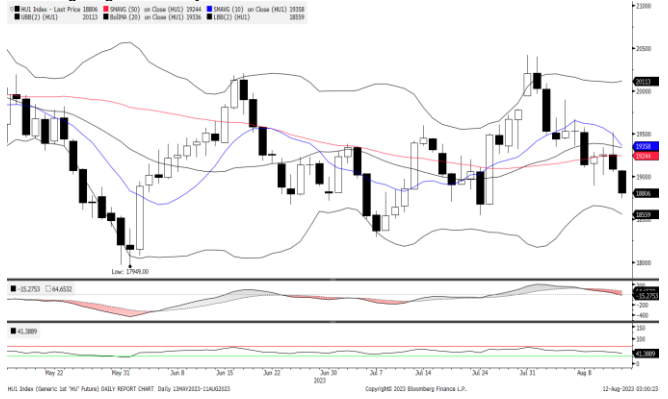
Contracts	Chg	Sett	High	Low
H. SENG FUT AUG 23	-168	19089	19517	19055
H. SENG FUT SEP 23	-172	19076	19489	19050
H. SENG FUT DEC 23	-174	19285	19716	19260
H. SENG FUT MAR 24	-168	19089	19517	19055
MINI H. SENG FUT AUG 23	-168	19089	19517	19055
MINI H. SENG FUT SEP 23	-172	19076	19500	19047
MINI H. SENG FUT DEC 23	-174	19285	19700	19275
MINI H. SENG FUT MAR 24	-168	19089	19517	19055
HSCEI FUT AUG 23	-91	6550	6737	6531
HSCEI FUT SEP 23	-101	6538	6723	6525
HSCEI FUT DEC 23	-94	6636	6794	6641
HSCEI FUT MAR 24	-91	6550	6737	6531
MINI HSCEI FUT AUG 23	-91	6550	6737	6530
MINI HSCEI FUT SEP 23	-101	6538	6726	6529
MINI HSCEI FUT DEC 23	-94	6636	6818	6626
MINI HSCEI FUT MAR 24	-91	6550	6737	6530

Major HSI Constituent Stocks	Close	Change	High	Low
*Alia Group Ltd	72.9	-0.85	74.85	72.9
**Tencent Holdings Ltd	335.8	-4	341.6	334.6
*HSBC Holdings PLC	62.6	0	62.95	62.45
**China Construction Bank Corp	4.27	-0.03	4.31	4.25
**Ping An Insurance Group	51.45	-1.45	52.85	51.05
**Meituan	137.2	-3.8	141.5	136.9
*Hong Kong Exchanges & Clearing Ltd	310	-2.4	314	309
**Alibaba Group Holdings Ltd	95.3	1	97.95	95.3
**Xiaomi Corp	11.86	-0.22	12.18	11.82
**ICBC	3.57	-0.03	3.59	3.53

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	43.35	-0.5	44.75	42.85
**China Mobile Ltd	66.2	1.35	66.6	65.5
**Bank of China Ltd	2.76	-0.03	2.79	2.75
*Techtronic Industries Co Ltd	82.1	3.15	82.9	78.8
*CK Hutchison Holdings Ltd	43.05	-0.2	43.6	42.95
*Link REIT	39.7	-0.8	40.5	39.65
*CLP Holding Ltd	62.45	0.2	62.5	61.95
**Geely Automobile Holdings Ltd	9.97	-0.29	10.2	9.89
**CNOOC Ltd	13.08	0.08	13.1	12.88
**ANTA Sports Products Ltd	85.55	-0.8	89	84.6

Global Equity Indices	Close	Change	High	Low
Hang Seng	19075.19	-173.07	19346.3	19049.92
HSCEI	6540.63	-87.92	6652.62	6524.62
Shanghai Comp Index	3189.25	-65.312	3254.48	3189.248
Nikkei 225	0	0	0	0
KOSPI	2591.26	-10.3	2616.84	2589.94
S&P/ASX200	7340.13	-17.258	7361.2	7329.3
DJIA	35281.4	105.25	35354.6	35059.99
S&P 500	4464.05	-4.78	4476.23	4443.98
NASDAQ	13644.9	-93.14	13720.3	13609.98
DAX	15832.2	-164.35	15962.5	15803.08
CAC	7340.19	-1.26	7406.89	7317.76
FTSE100	7524.16	-94.44	7618.6	7507.84

Mini Hang Seng Futures Daily Chart



Mini Hang Seng China Enterprise Futures Daily Chart



Technical Analysis

Mini Hang Seng

1st Resistance:	19375	2nd Resistance:	19662
1st Support:	18803	2nd Support:	18516
MACD:	30.212		
MACD DIFF:	-54.3927		
RSI:	45.7659		

Mini Hang Seng China Enterprise

1st Resistance:	6648	2nd Resistance:	6747
1st Support:	6452	2nd Support:	6354
MACD:	40.926		
MACD DIFF:	-12.893		
RSI:	48.0972		

Strategy:

Mini Hang Seng:

Long: Profit target:	18803	Stop-loss:	18709	Long: Profit target:	18516	Stop-loss:	18424
Short: Profit target:	19375	Stop-loss:	19472	Short: Profit target:	19662	Stop-loss:	19760

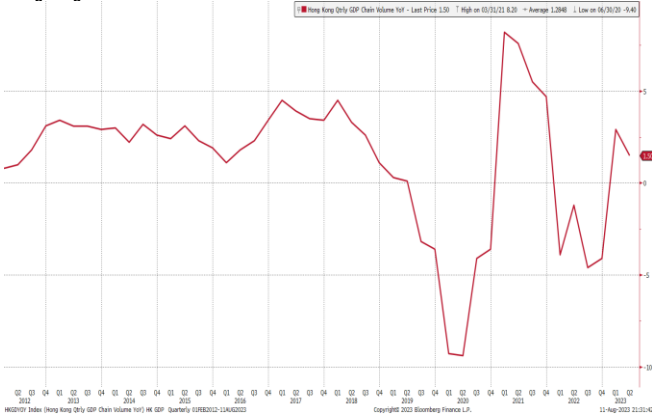
Mini Hang Seng China Enterprise:

Long: Profit target:	6452	Stop-loss:	6419	Long: Profit target:	6354	Stop-loss:	6322
Short: Profit target:	6648	Stop-loss:	6681	Short: Profit target:	6747	Stop-loss:	6780

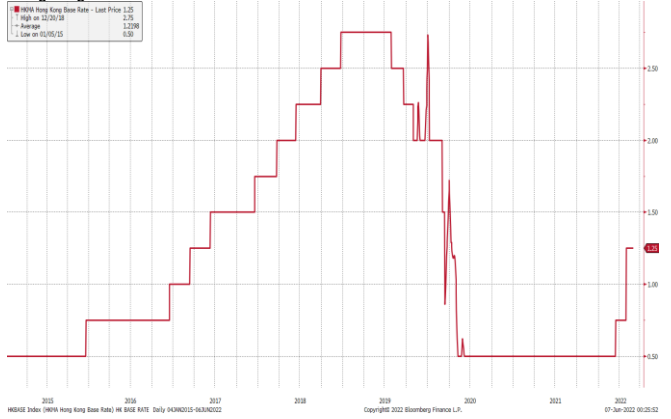
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
08/11/2023 16:30	GDP YoY	2Q F	1.50%	1.50%	1.50%	--
08/11/2023 16:30	GDP SA QoQ	2Q F	-1.30%	-1.30%	-1.30%	--
08/17/2023 16:30	Unemployment Rate SA	Jul	--	--	2.90%	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
08/11/2023 16:30	Aggregate Financing CNY	Jul	1100.0b	528.2b	4220.0b	4224.1b
08/11/2023 16:30	Money Supply M2 YoY	Jul	11.00%	10.70%	11.30%	--
08/11/2023 16:30	Money Supply M0 YoY	Jul	--	9.90%	9.80%	--
08/11/2023 16:30	New Yuan Loans CNY	Jul	780.0b	345.9b	3050.0b	3049.5b
08/11/2023 16:30	Money Supply M1 YoY	Jul	3.00%	2.30%	3.10%	--
08/11/2023 08/18	FDI YTD YoY CNY	Jul	--	--	-2.70%	--

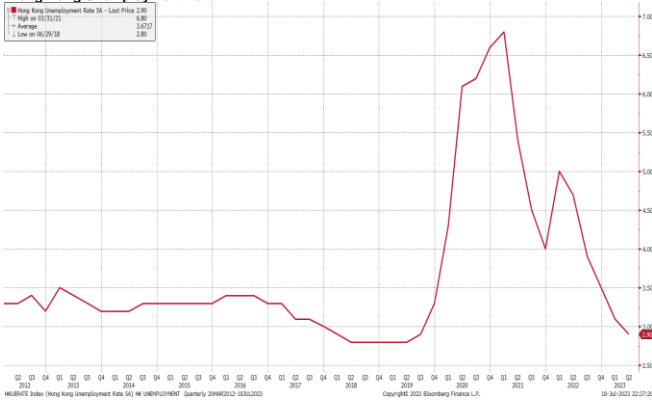
Hong Kong GDP Q on Q



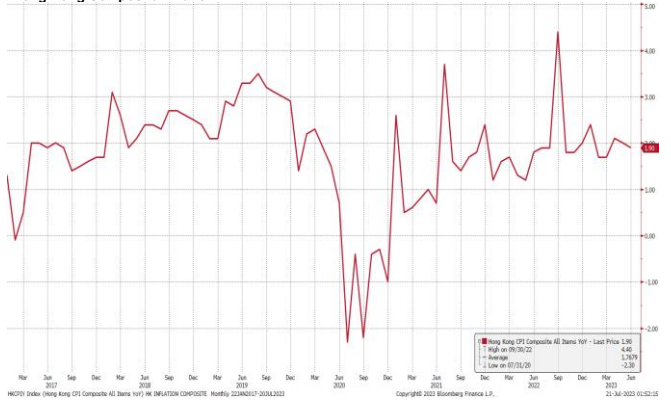
Hong Kong Base Interest Rate



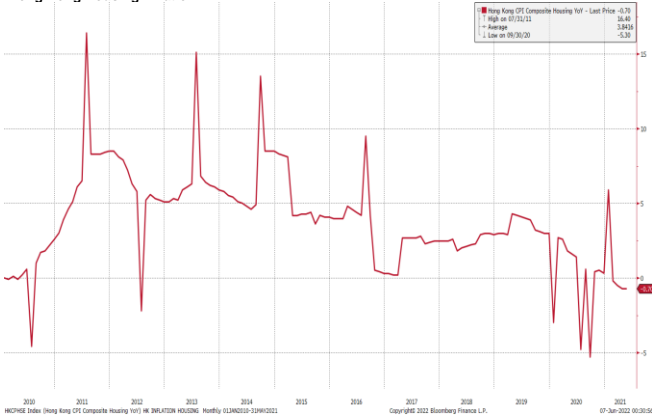
Hong Kong Unemployment Rate



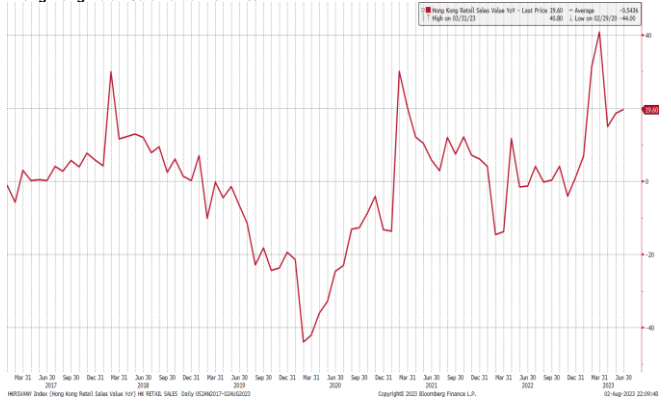
Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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