

**Fundamentals:**

Hong Kong stocks dropped for a third day as contagion fears spiked amid fresh data that pointed to a weak economy and deepening property-sector woes. Even Beijing's unexpected key policy rate cut failed to stem the bearish sentiment.

The Hang Seng Index dropped 1 per cent to 18,581.11 at the closing of Tuesday trading, the lowest level since July 10. The tech index slipped 0.7 per cent while the Shanghai Composite Index lost less than 0.1 per cent.

Alibaba Group lost 1.7 per cent to HK\$91.20, Meituan weakened 1.1 per cent to HK\$133.90 and JD.com declined 1.4 per cent to HK\$142.20. EV maker BYD tumbled 1.3 per cent to HK\$235.40, while sportswear maker Li Ning slid 1.9 per cent to HK\$41.05.

Fresh data released on Tuesday showed that China's economy is seeing an across-the-board slowdown. Industrial output grew 3.7 per cent last month from a year earlier, slowing from the 4.4 per cent gain recorded in June. Retail sales also rose at a slower pace last month, data released on Tuesday by the National Bureau of Statistics showed.

In a surprise to the market, China's central bank lowered the interest rate on its one-year medium-term lending facility (MLF) loans to 2.5 per cent from 2.65 per cent on Tuesday, which will inject 410 billion yuan of additional liquidity.

The property crisis deepened after the cash-strapped giant Country Garden proposed extending repayment for an onshore private bond due September 2 with an outstanding of 3.9 billion yuan (US\$537 million), according to Reuters. The company gained 1.3 per cent to HK\$0.81 to recover from the recent sell-off, while a gauge tracking mainland developers listed in Hong Kong slipped 1 per cent, the lowest level this year.

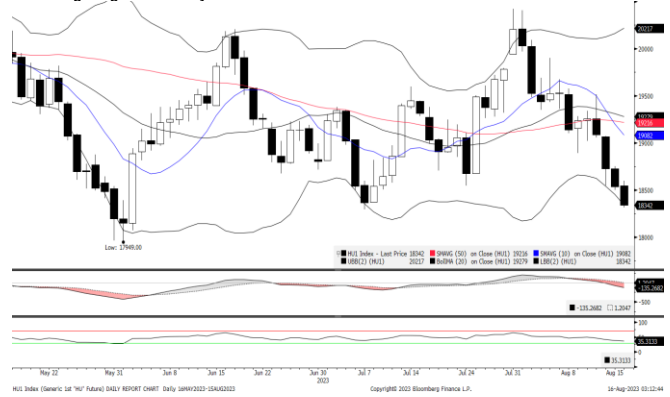
The Hang Seng Index has lost all the gains it recorded after China's top leadership pledged pro-growth policies during the Politburo meeting that started on July 24. The Hang Seng China Enterprise Index, which tracks the largest mainland companies listed in the city, crashed 7.7 per cent this month to become the worst performer among 92 global equity gauges, Bloomberg data showed.

Two stocks debuted on Tuesday. Guangzhou Guanggang Gases & Energy gained 33 per cent to 13.15 yuan in Shanghai, while Googol Technology surged 460 per cent to 68 yuan in Shenzhen.

Major Asian markets were mixed on Tuesday. The Nikkei 225 in Japan gained 0.6 per cent, and the S&P/ASX 200 in Australia added 0.4 per cent. The Kospi in South Korea declined 0.8 per cent.

(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 AUG 23	-194	18535	18751	18502
H. SENG FUT SEP 23	-199	18513	18730	18495
H. SENG FUT DEC 23	-208	18713	18904	18718
H. SENG FUT MAR 24	-194	18535	18751	18502
MINI H. SENG FUT AUG 23	-194	18535	18752	18502
MINI H. SENG FUT SEP 23	-199	18513	18738	18496
MINI H. SENG FUT DEC 23	-208	18713	18935	18702
MINI H. SENG FUT MAR 24	-194	18535	18752	18502
HSCEI FUT AUG 23	-54	6360	6431	6324
HSCEI FUT SEP 23	-56	6349	6416	6336
HSCEI FUT DEC 23	-55	6441	6495	6422
HSCEI FUT MAR 24	-54	6360	6431	6324
MINI HSCEI FUT AUG 23	-54	6360	6431	6324
MINI HSCEI FUT SEP 23	-56	6349	6414	6316
MINI HSCEI FUT DEC 23	-55	6441	6490	6426
MINI HSCEI FUT MAR 24	-54	6360	6431	6324

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	70.8	-1.1	72	70.2
**Tencent Holdings Ltd	332.6	-0.6	335	330.6
**HSBC Holdings PLC	61.2	-1.15	61.9	61.1
**China Construction Bank Corp	4.19	-0.01	4.21	4.18
**Ping An Insurance Group	48.8	-1.05	49.9	48.3
**Meituan	133.9	-1.5	135.8	132.8
*Hong Kong Exchanges & Clearing Ltd	301.6	-3	306.6	300.2
**Alibaba Group Holdings Ltd	91.2	-1.6	92.7	90.85
**Xiaomi Corp	11.86	0.08	11.98	11.66
**ICBC	3.48	-0.02	3.51	3.46

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	41.7	-0.85	42.4	40.85
**China Mobile Ltd	66.75	0.45	67.25	66.1
**Bank of China Ltd	2.7	-0.01	2.72	2.7
*Techtronic Industries Co Ltd	83	1.75	83.7	81
*CK Hutchison Holdings Ltd	42.5	-0.1	42.8	42.1
*Link REIT	38.65	0.3	38.8	37.85
*CLP Holding Ltd	60.65	-0.65	61.85	60.25
**Geely Automobile Holdings Ltd	9.67	-0.1	9.84	9.66
**CNOOC Ltd	12.8	-0.2	13.02	12.74
**ANTA Sports Products Ltd	83.05	-0.85	83.85	82

Global Equity Indices	Close	Change	High	Low
Hang Seng	18581.11	-192.44	18745.8	18513.78
HSCEI	6366.48	-57.36	6427.26	6341.26
Shanghai Comp Index	3176.18	-2.251	3186.23	3147.346
Nikkei 225	32238.9	178.98	32403.9	32217.52
KOSPI	0	0	0	0
S&P/ASX200	7304.96	28.011	7329.3	7271.9
DJIA	34946.4	-361.24	35219.4	34908.5
S&P 500	4437.84	-51.88	4478.87	4432.19
NASDAQ	13631.1	-157.28	13775	13611.93
DAX	15767.3	-136.97	15923.1	15703.03
CAC	7267.7	-1.1	7357.71	7236.56
FTSE100	7389.64	-117.51	7508.58	7369.69

**Technical Analysis**

**Mini Hang Seng**

1st Resistance:	18813	2nd Resistance:	19091
1st Support:	18257	2nd Support:	17979
MACD:	-77.134		
MACD DIFF:	-112.424		
RSI:	37.7496		

**Mini Hang Seng China Enterprise**

1st Resistance:	6455	2nd Resistance:	6551
1st Support:	6265	2nd Support:	6169
MACD:	-0.583		
MACD DIFF:	-38.142		
RSI:	41.0079		

**Strategy:**

**Mini Hang Seng:**

Long: Profit target:	18257	18440	18166	Long: Profit target:	17979	18159	17889
Stop-loss:				Stop-loss:			
Short: Profit target:	18813	18625	18907	Short: Profit target:	19091	18900	19187
Stop-loss:				Stop-loss:			

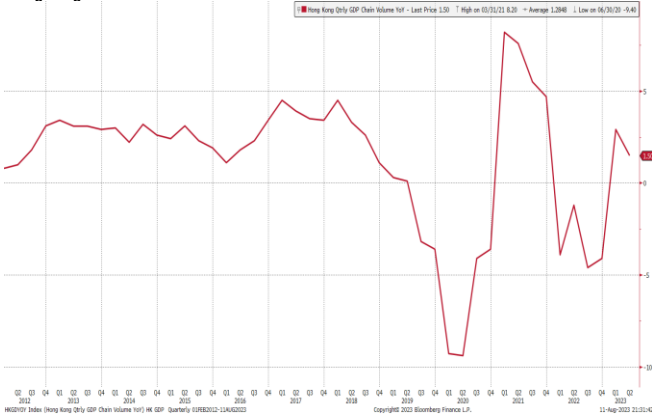
**Mini Hang Seng China Enterprise:**

Long: Profit target:	6265	6327	6233	Long: Profit target:	6169	6231	6138
Stop-loss:				Stop-loss:			
Short: Profit target:	6455	6391	6488	Short: Profit target:	6551	6485	6584
Stop-loss:				Stop-loss:			

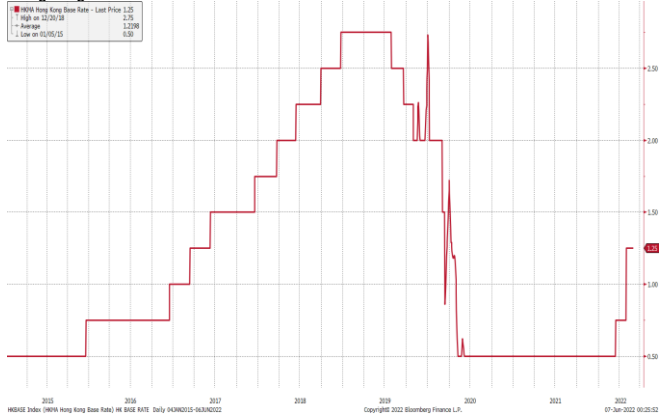
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
08/17/2023 16:30	Unemployment Rate SA	Jul	2.90%	--	2.90%	--
08/21/2023 16:30	CPI Composite YoY	Jul	--	--	1.90%	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
08/15/2023 09:20	1-Yr Medium-Term Lending Facility Ra	Aug-15	2.65%	2.50%	2.65%	--
08/15/2023 09:20	1-Yr Medium-Term Lending Facilities v	Aug-15	410.0b	401.0b	103.0b	--
08/15/2023 10:00	Industrial Production YoY	Jul	4.30%	3.70%	4.40%	--
08/15/2023 10:00	Industrial Production YTD YoY	Jul	3.80%	3.80%	3.80%	--
08/15/2023 10:00	Retail Sales YoY	Jul	4.00%	2.50%	3.10%	--
08/15/2023 10:00	Retail Sales YTD YoY	Jul	7.60%	7.30%	8.20%	--
08/15/2023 10:00	Fixed Assets Ex Rural YTD YoY	Jul	3.70%	3.40%	3.80%	--
08/15/2023 10:00	Property Investment YTD YoY	Jul	-8.10%	-8.50%	-7.90%	--
08/15/2023 10:00	Residential Property Sales YTD YoY	Jul	--	0.70%	3.70%	--
08/15/2023 10:00	Surveyed Jobless Rate	Jul	5.20%	5.30%	5.20%	--
08/15/2023 22:16	FX Net Settlement - Clients CNY	Jul	--	-41.8b	89.5b	--
08/16/2023 09:30	New Home Prices MoM	Jul	--	--	-0.06%	--
08/15/2023 08:18	FDI YTD YoY CNY	Jul	--	--	-2.70%	--
08/21/2023 09:15	5-Year Loan Prime Rate	Aug-21	4.20%	--	4.20%	--
08/21/2023 09:15	1-Year Loan Prime Rate	Aug-21	3.55%	--	3.55%	--

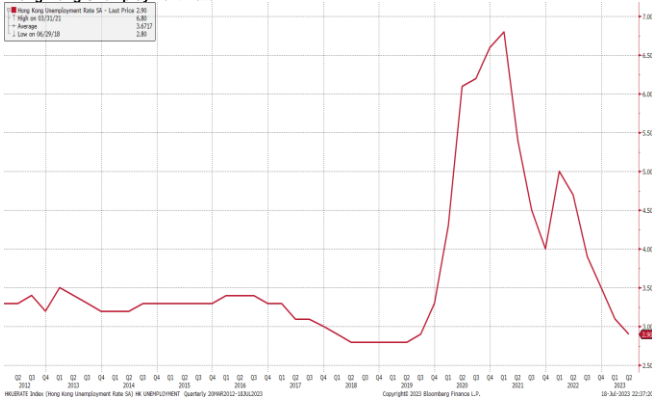
### Hong Kong GDP Q on Q



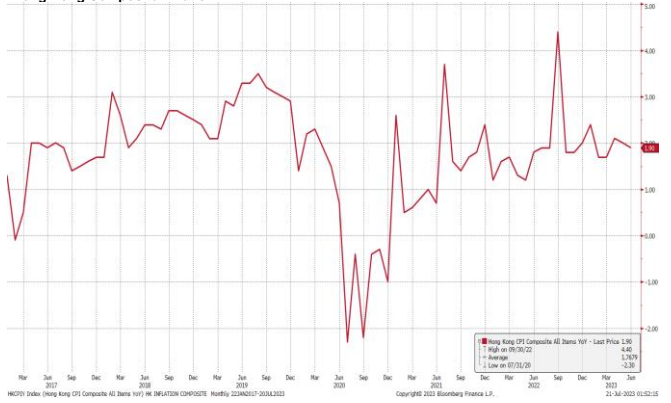
### Hong Kong Base Interest Rate



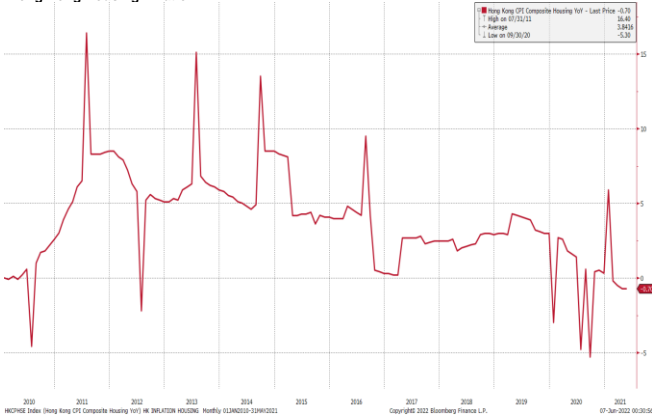
### Hong Kong Unemployment Rate



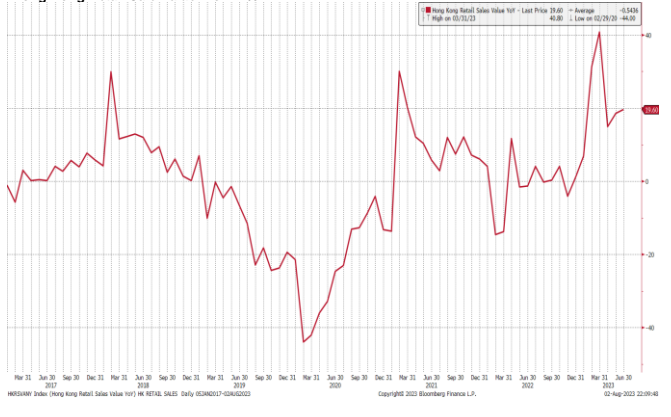
### Hong Kong Composite Inflation



### Hong Kong Housing Inflation



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



(Source: Bloomberg)

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