

**Fundamentals:**

Hong Kong stocks logged the biggest weekly loss in five months amid concerns about widening debt defaults in China's property industry and shadow banking fallout. Investors also slashed their bets after the Chinese currency hit the weakest level since October.

The Hang Seng Index slid 2.1 per cent to 17,950.85 at the close of Friday trading, hitting the lowest level since November 28. The 5.9 per cent decline since last Friday was the most since the March 10 week. The Tech Index slumped 3.6 per cent while the Shanghai Composite Index slipped 1 per cent.

Lenovo Group slumped 5 per cent to HK\$7.29 while JD Health dived 13 per cent to HK\$41.15 and EV maker Xpeng tumbled 6.6 per cent to HK\$61. Alibaba Group Holding slipped 3.4 per cent to HK\$87 while Tencent Holdings lost 2.3 per cent to HK\$325. Developer Longfor Group sank 3.8 per cent to HK\$16.54, despite delivering an almost 8 per cent increase in first-half earnings.

Investors have given up on the short-term outlook for Chinese stocks by cutting their holdings after Beijing failed to follow up on its July 24's pledge with measures to lift the economy. Weak data for July and sliding home prices have since undermined confidence and stoked default concerns following missed payments at developer Country Garden and private wealth manager Zhongrong International Trust.

The onshore yuan weakened 0.7 per cent to 7.2870 per US dollar this week, approaching its weakest level since October and prompting speculation the People's Bank of China will intervene to strengthen its currency.

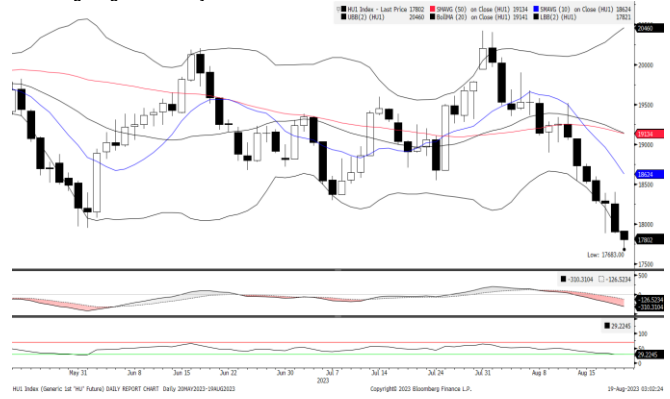
Foreign investors have sold 51.6 billion yuan (US\$7.1 billion) of yuan-denominated stocks so far in August, according to Bloomberg data, approaching the 57 billion yuan net-selling seen in October last year just before China ended its zero-Covid policy.

Losses this week mounted amid worries about corporate earnings, following weaker results from industry leaders including Lenovo and CNOOC. About 30 Hang Seng Index members have published their first-half results to date, averaging 3.7 per cent growth in profit. The index members delivered a 5.5 per cent profit gain in 2022.

Three companies debuted on Friday. Suzhou Convert Semiconductor surged 109 per cent to 85.50 yuan in Shanghai and Weima Agricultural Machinery jumped 156 per cent to 75.50 yuan in Shenzhen. Hubei Hongyu New Packaging Materials gained 9.6 per cent to 8.77 yuan in Beijing.

(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	-360	17901	18402	17887
H. SENG FUT SEP 23	-377	17862	18379	17858
H. SENG FUT DEC 23	-373	18049	18517	18049
H. SENG FUT MAR 24	-360	17901	18402	17887
MINI H. SENG FUT AUG 23	-360	17901	18402	17884
MINI H. SENG FUT SEP 23	-377	17862	18380	17857
MINI H. SENG FUT DEC 23	-373	18049	18550	18071
MINI H. SENG FUT MAR 24	-360	17901	18402	17884
HSCEI FUT AUG 23	-141	6135	6325	6132
HSCEI FUT SEP 23	-145	6119	6302	6119
HSCEI FUT DEC 23	-148	6202	6393	6202
HSCEI FUT MAR 24	-141	6135	6325	6132
MINI HSCEI FUT AUG 23	-141	6135	6326	6132
MINI HSCEI FUT SEP 23	-145	6119	6310	6120
MINI HSCEI FUT DEC 23	-148	6202	6328	6208
MINI HSCEI FUT MAR 24	-141	6135	6326	6132

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	69.65	-0.9	70.8	69.2
**Tencent Holdings Ltd	325	-7.8	332.8	325
*HSBC Holdings PLC	58.65	-0.65	59.5	58.3
**China Construction Bank Corp	4.08	-0.02	4.16	4.07
**Ping An Insurance Group	45.45	-1.1	47.5	45.4
**Meituan	129.9	-3.7	133.8	129.4
*Hong Kong Exchanges & Clearing Ltd	292.4	-4.8	298.6	292
**Alibaba Group Holdings Ltd	87	-3.1	89.85	86.8
**Xiaomi Corp	11.74	-0.22	12.08	11.7
**ICBC	3.41	-0.01	3.5	3.4

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	40.05	-1.2	41.25	40
**China Mobile Ltd	64.2	-0.9	65.5	64.05
**Bank of China Ltd	2.64	-0.01	2.69	2.64
*Techtronic Industries Co Ltd	78.55	-2	81	78.4
*CK Hutchison Holdings Ltd	41.15	-0.55	41.75	41.05
*Link REIT	38.3	-0.95	39	38.2
*CLP Holding Ltd	58.8	-1.8	61.15	58.5
**Geely Automobile Holdings Ltd	9.46	-0.25	9.64	9.45
**CNOOC Ltd	12.76	0.02	13.04	12.74
**ANTA Sports Products Ltd	79.15	-2.05	81	78.75

Global Equity Indices	Close	Change	High	Low
Hang Seng	17950.85	-375.78	18336.4	17936.43
HSCEI	6146.99	-145.34	6295.78	6142.35
Shanghai Comp Index	3131.95	-31.786	3179.12	3131.953
Nikkei 225	31450.8	-175.24	31644.9	31275.25
KOSPI	2504.5	-15.35	2519.6	2489.63
S&P/ASX200	7148.06	2.062	7167.7	7124.5
DJIA	34500.7	25.83	34587.1	34263.19
S&P 500	4369.71	-0.65	4381.82	4335.31
NASDAQ	13290.8	-26.15	13335.9	13161.76
DAX	15574.3	-102.64	15612.9	15468.65
CAC	7164.11	-0.38	7172.99	7092.72
FTSE100	7262.43	-47.78	7310.21	7215.76

**Technical Analysis**

**Mini Hang Seng**

1st Resistance:	18170	2nd Resistance:	18438
1st Support:	17632	2nd Support:	17364
MACD:	-254.163		
MACD DIFF:	-173.395		
RSI:	30.2523		

**Mini Hang Seng China Enterprise**

1st Resistance:	6227	2nd Resistance:	6319
1st Support:	6043	2nd Support:	5951
MACD:	-66.471		
MACD DIFF:	-62.565		
RSI:	33.9654		

**Strategy:**

**Mini Hang Seng:**

Long: Profit target:	17632	17809	17544	Long: Profit target:	17364	17538	17277
Stop-loss:				Stop-loss:			
Short: Profit target:	18170	17988	18260	Short: Profit target:	18438	18254	18530
Stop-loss:				Stop-loss:			

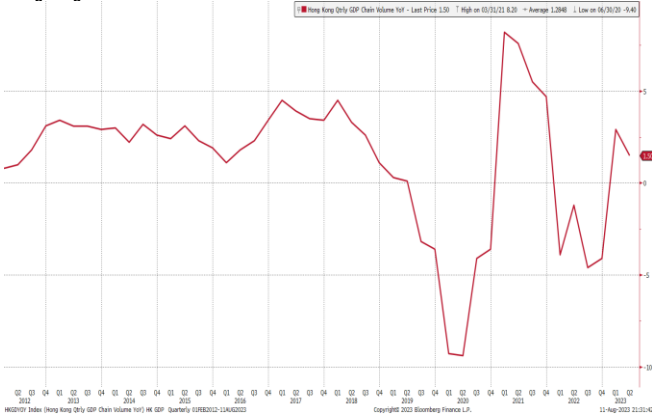
**Mini Hang Seng China Enterprise:**

Long: Profit target:	6043	6103	6013	Long: Profit target:	5951	6010	5921
Stop-loss:				Stop-loss:			
Short: Profit target:	6227	6165	6258	Short: Profit target:	6319	6256	6351
Stop-loss:				Stop-loss:			

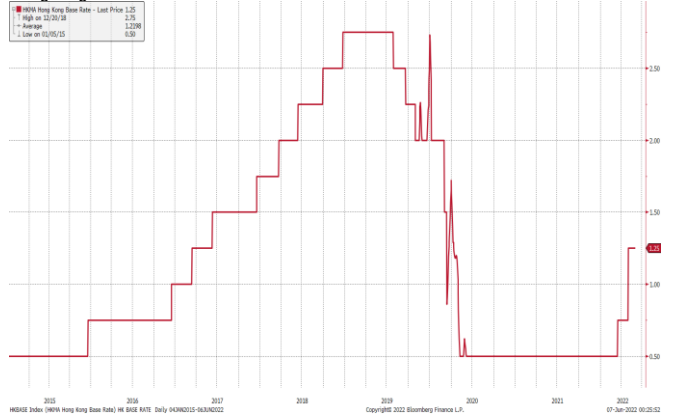
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
08/21/2023 16:30	CPI Composite YoY	Jul	--	--	1.90%	--
08/24/2023 16:30	Exports YoY	Jul	--	--	-11.40%	--
08/24/2023 16:30	Imports YoY	Jul	--	--	-12.30%	--
08/24/2023 16:30	Trade Balance HKD	Jul	--	--	-56.6b	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
08/17/2023 08:18	FDI YTD YoY CNY	Jul	--	4.05%	-2.70%	--
08/21/2023 09:15	5-Year Loan Prime Rate	Aug-21	4.05%	--	4.20%	--
08/21/2023 09:15	1-Year Loan Prime Rate	Aug-21	3.40%	--	3.55%	--
08/24/2023 09:00	Swift Global Payments CNY	Jul	--	--	2.77%	--

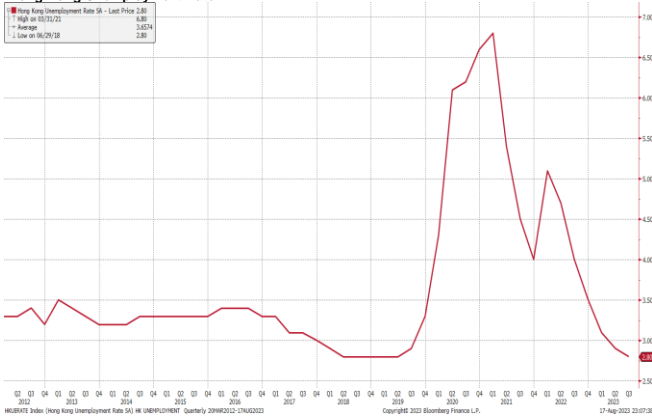
### Hong Kong GDP Q on Q



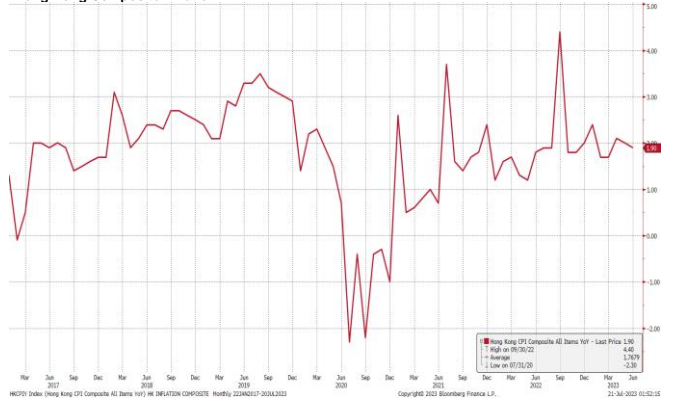
### Hong Kong Base Interest Rate



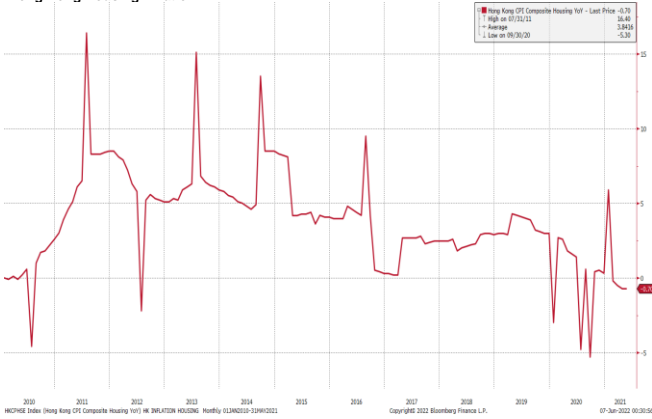
### Hong Kong Unemployment Rate



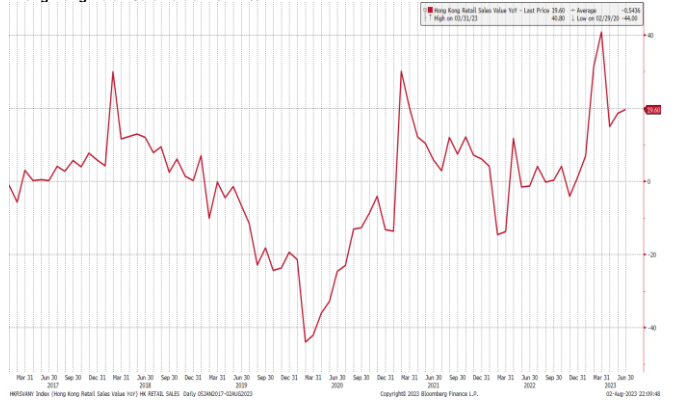
### Hong Kong Composite Inflation



### Hong Kong Housing Inflation



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



(Source: Bloomberg)

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