

Fundamentals:

Hong Kong stocks rose for a second day to a two-week high, adding to gains from China's move to cut transaction costs, as stronger earnings from BYD lifted sentiment on EV makers.

The Hang Seng Index advanced 2 per cent to 18,484.03 at the close of Tuesday trading, following a 1 per cent rally on Monday. The Tech Index gained 2.7 per cent and the Shanghai Composite Index added 1.2 per cent.

China's biggest EV maker BYD surged 5.6 per cent to HK\$237.80 after second-quarter profit more than doubled from a year earlier. Ping An Insurance Group rose 3.2 per cent to HK\$46.85 while hotpot restaurant operator Haidilao added 2.8 per cent to HK\$22, before their earnings reports later on Tuesday.

Elsewhere, carmaker Xpeng added 2.9 per cent to HK\$74.30, while peer Nio appreciated 2.4 per cent to HK\$88.55. Alibaba Group Holding jumped 2.3 per cent to HK\$90.90, and Tencent Holdings rose 1.3 per cent to HK\$329.40. Country Garden Services rallied 9.9 per cent to HK\$9.45.

China cut stamp duty on stock trading on Monday for the first time since 2008 and the securities regulator unveiled measures such as a reduction in the requirement ratio for margin trading to bolster confidence. However, Nomura cautioned the rally is likely to be short-lived without the support of big stimulus packages.

Sentiment also improved after US Commerce Secretary Gina Raimondo met her Chinese counterpart Wang Wentao on Monday. They agreed to set up a working group to resolve trade and investment disputes. Raimondo, who is the fourth high-ranking US official to visit China this summer, also met Premier Li Qiang on Tuesday.

First-half profit for Ping An probably increased 3.7 per cent from a year earlier to 62.5 billion yuan (US\$8.6 billion), according to analysts tracked by Bloomberg, while Haidilao may have returned to a profit of 816.5 million yuan in the same period.

Fifty-seven of the Hang Seng Index's 80 members have released their quarterly or interim results so far, registering an average 1.8 per cent growth in earnings, according to Bloomberg data. The members posted an average 5.5 per cent increase in 2022.

Other major Asian markets rose. Japan's Nikkei 225 climbed 0.2 per cent, while South Korea's Kospi gained 0.3 per cent and Australia's S&P/ASX 200 added 0.7 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	316	18467	18613	18126
H. SENG FUT SEP 23	291	18399	18554	18083
H. SENG FUT DEC 23	307	18572	18699	18254
H. SENG FUT MAR 24	316	18467	18613	18126
MINI H. SENG FUT AUG 23	316	18467	18613	18128
MINI H. SENG FUT SEP 23	291	18399	18552	18081
MINI H. SENG FUT DEC 23	307	18572	18712	18261
MINI H. SENG FUT MAR 24	316	18467	18613	18128
HSCEI FUT AUG 23	119	6377	6427	6250
HSCEI FUT SEP 23	111	6354	6406	6234
HSCEI FUT DEC 23	113	6436	6486	6370
HSCEI FUT MAR 24	119	6377	6427	6250
MINI HSCEI FUT AUG 23	119	6377	6427	6251
MINI HSCEI FUT SEP 23	111	6354	6405	6234
MINI HSCEI FUT DEC 23	113	6436	6480	6355
MINI HSCEI FUT MAR 24	119	6377	6427	6251

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	70.45	2.05	71	68.65
**Tencent Holdings Ltd	329.4	4.2	332	325.4
**HSBC Holdings PLC	58.5	-0.25	59.45	58.25
**China Construction Bank Corp	4.2	0.06	4.23	4.15
**Ping An Insurance Group	46.85	1.45	47.2	45.25
**Meituan	137.3	2.6	138.9	135
*Hong Kong Exchanges & Clearing Ltd	307.4	14.7	309.2	295.2
**Alibaba Group Holdings Ltd	90.9	2	91.5	89.65
**Xiaomi Corp	12.38	0.18	12.48	12.14
**ICBC	3.59	0.08	3.62	3.53

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	45.95	0.7	46.45	45.3
**China Mobile Ltd	66	0.35	66.1	65.5
**Bank of China Ltd	2.71	0.05	2.72	2.67
*Techtronic Industries Co Ltd	78.9	2.15	79.35	77.4
*CK Hutchison Holdings Ltd	42.25	0.9	42.3	41.35
*Link REIT	38.65	0.5	38.7	38.15
*CLP Holding Ltd	60.9	1.2	61.3	59.7
**Geely Automobile Holdings Ltd	9.82	0.27	9.95	9.56
**CNOOC Ltd	13.08	0.18	13.16	12.98
**ANTA Sports Products Ltd	87	0.95	88	85.9

Global Equity Indices	Close	Change	High	Low
Hang Seng	18484.03	353.29	18583.8	18239.92
HSCEI	6386.8	140.58	6417.48	6286.39
Shanghai Comp Index	3135.89	37.251	3145.76	3090.438
Nikkei 225	32227	56.98	32389.1	32186.57
KOSPI	2552.16	8.75	2556.98	2545.27
S&P/ASX200	7210.46	50.62	7210.5	7159.2
DJIA	34852.7	292.69	34864.4	34531.12
S&P 500	4497.63	64.32	4500.14	4431.68
NASDAQ	13943.8	238.63	13959.8	13677.06
DAX	15930.9	138.27	15942.1	15805.42
CAC	7373.43	0.67	7378.05	7322.45
FTSE100	7464.99	126.41	7471.14	7338.58

Technical Analysis

Mini Hang Seng

1st Resistance:	18744	2nd Resistance:	19021
1st Support:	18190	2nd Support:	17913
MACD:	-311.358		
MACD DIFF:	-16.9752		
RSI:	47.4884		

Mini Hang Seng China Enterprise

1st Resistance:	6473	2nd Resistance:	6568
1st Support:	6281	2nd Support:	6186
MACD:	-87.071		
MACD DIFF:	-5.510		
RSI:	49.9391		

Strategy:

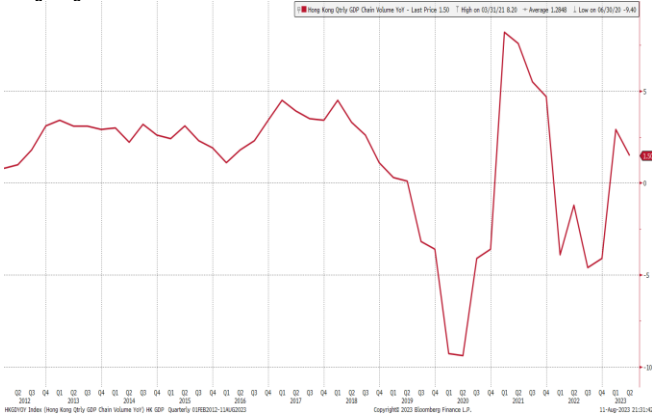
Mini Hang Seng:	Long: Profit target:	Stop-loss:	Long: Profit target:	Stop-loss:
	18190	18372	18099	17913
	Short: Profit target:	Stop-loss:	Short: Profit target:	Stop-loss:
	18744	18557	18838	19021

Mini Hang Seng China Enterprise:	Long: Profit target:	Stop-loss:	Long: Profit target:	Stop-loss:
	6281	6344	6250	6186
	Short: Profit target:	Stop-loss:	Short: Profit target:	Stop-loss:
	6473	6408	6505	6568

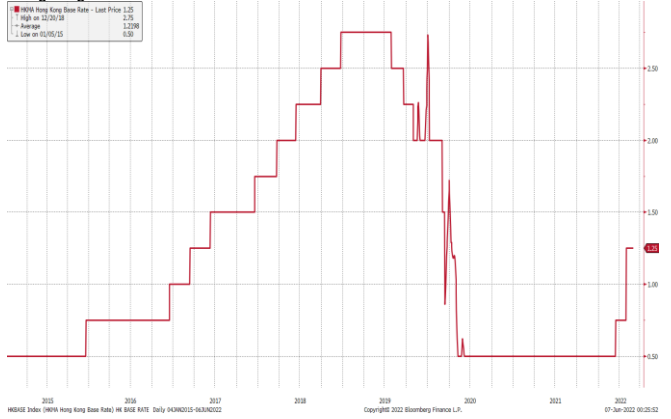
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
08/31/2023 16:30	Retail Sales Value YoY	Jul	18.00%	--	19.60%	--
08/31/2023 16:30	Retail Sales Volume YoY	Jul	17.30%	--	17.50%	--
08/31/2023	Money Supply M3 HKD YoY	Jul	--	--	-0.10%	--
08/31/2023	Budget Balance HKD	Jul	--	--	-30.0b	--
08/31/2023	Money Supply M1 HKD YoY	Jul	--	--	-21.70%	--
08/31/2023	Money Supply M2 HKD YoY	Jul	--	--	-0.10%	--
09/05/2023 08:30	S&P Global Hong Kong PMI	Aug	--	--	49.4	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
08/29/2023 05:00	Bloomberg Aug. China Economic Survey (Table)					
08/31/2023 09:30	Composite PMI	Aug	--	--	51.1	--
08/31/2023 09:30	Manufacturing PMI	Aug	49.2	--	49.3	--
08/31/2023 09:30	Non-manufacturing PMI	Aug	51.1	--	51.5	--
09/01/2023 09:45	Caixin China PMI Mfg	Aug	49	--	49.2	--
09/05/2023 09:45	Caixin China PMI Composite	Aug	--	--	51.9	--
09/05/2023 09:45	Caixin China PMI Services	Aug	53.8	--	54.1	--

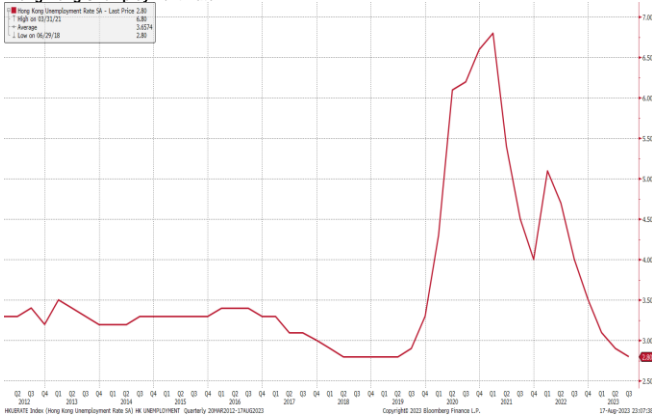
Hong Kong GDP Q on Q



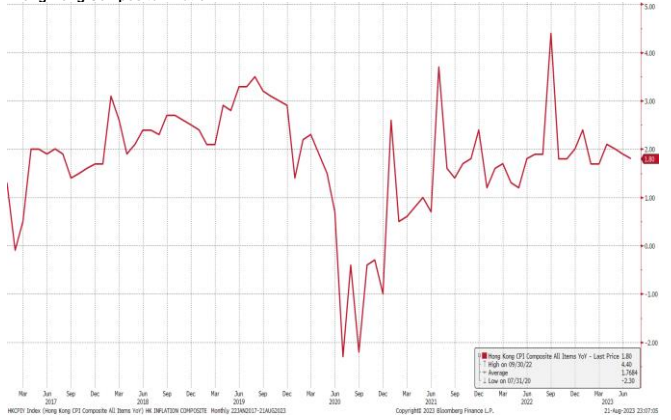
Hong Kong Base Interest Rate



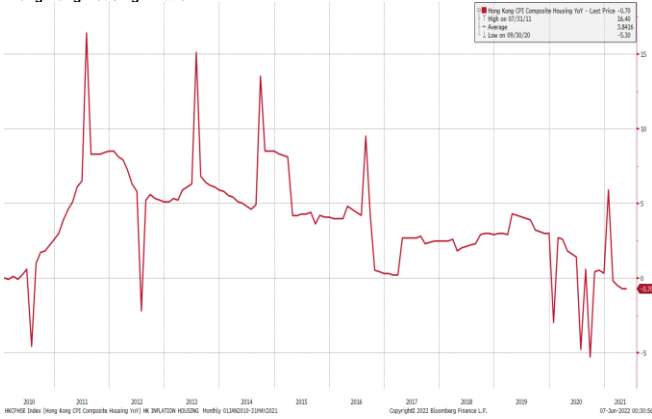
Hong Kong Unemployment Rate



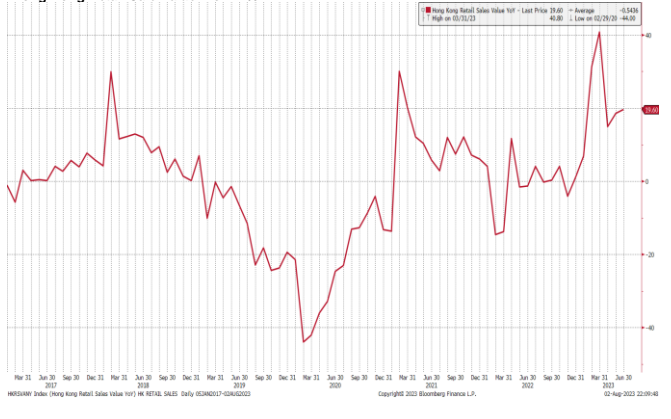
Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sales Value Y on Y %



(Source: Bloomberg)

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