

Fundamentals:

Hong Kong stocks slipped for a third day as investors digested a Morgan Stanley downgrade for Chinese stocks. Positive services activity data from a private-sector business survey helped limit losses.

The Hang Seng Index slipped 0.5 per cent to 19,420.87 at the closing of Thursday trading, the lowest level since July 26. The Tech Index climbed 0.4 per cent, while the Shanghai Composite Index gained 0.6 per cent.

Alibaba Group dropped 2.1 per cent to HK\$93.15, rival JD.com slid 1.6 per cent to HK\$150.30 and travel agency Trip.com slid 1.6 per cent to HK\$305.40. The country's biggest developer Country Garden dropped 0.7 per cent to HK\$1.45, while Country Garden Service Holdings slumped 2.5 per cent to HK\$9.66.

The city's benchmark index has had a weak start in August after logging a two-month winning run, as the rally fueled by Beijing's pro-growth rhetoric has lost steam as investors' stimulus expectations have been disappointed. The Hang Seng Index is on track to post a 2 per cent loss this week, the worst in a month, according to Bloomberg data.

Elsewhere, the Caixin/S&P Global services purchasing managers' index (PMI) jumped to 54.1 in last month from 53.9 in June, marking a quicker expansion across China's services activity. It remained in expansionary territory for the seventh straight month.

Helping limit losses, Macau casino operator Sands China gained 1.4 per cent to HK\$29.55 while peer Galaxy Entertainment added 1 per cent to HK\$55.45, after government data showed the industry's revenues reached a new post-Covid high last month. MGM China surged 7.1 per cent to HK\$10.88 after posting estimate-beating results.

Two stocks debuted on Thursday. Kingchem Liaoning Life Science jumped 28 per cent over its issue price to 72.52 yuan, while Changhua Chemical Technology surged 35 per cent to 34.82 yuan in Shenzhen.

Major Asian markets retreated ahead of a slew of economic data. The Nikkei 225 in Japan declined 1.7 per cent, the S&P/ASX 200 in Australia dropped 0.6 per cent and the Kospi in South Korea lost 0.4 per cent.

(Source: South China Morning Post)

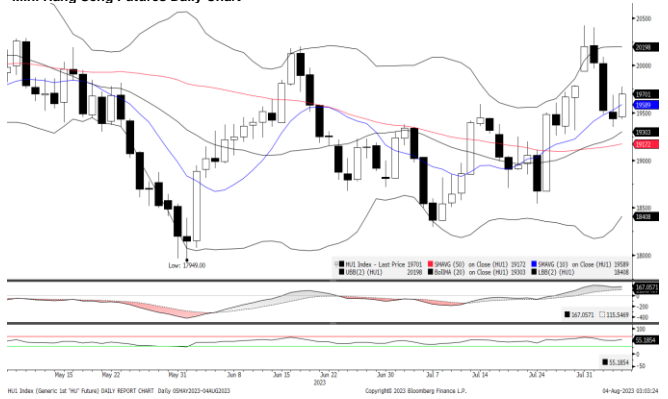
Contracts	Chg	Sett	High	Low
H. SENG FUT AUG 23	-88	19439	19689	19350
H. SENG FUT SEP 23	-97	19440	19668	19356
H. SENG FUT DEC 23	-89	19659	19880	19580
H. SENG FUT MAR 24	-88	19439	19689	19350
MINI H. SENG FUT AUG 23	-88	19439	19689	19350
MINI H. SENG FUT SEP 23	-97	19440	19689	19358
MINI H. SENG FUT DEC 23	-89	19659	19910	19587
MINI H. SENG FUT MAR 24	-88	19439	19689	19350
HSCEI FUT AUG 23	-8	6671	6755	6620
HSCEI FUT SEP 23	-8	6672	6752	6625
HSCEI FUT DEC 23	-11	6768	6822	6721
HSCEI FUT MAR 24	-8	6671	6755	6620
MINI HSCEI FUT AUG 23	-8	6671	6754	6620
MINI HSCEI FUT SEP 23	-8	6672	6750	6621
MINI HSCEI FUT DEC 23	-11	6768	6849	6724
MINI HSCEI FUT MAR 24	-8	6671	6754	6620

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	75.3	0.05	76.1	73.55
**Tencent Holdings Ltd	342.2	-1.2	347.8	339
*HSBC Holdings PLC	62.9	-1.3	63.95	62.7
**China Construction Bank Corp	4.33	-0.02	4.41	4.31
**Ping An Insurance Group	53.6	0.1	54.8	53.15
**Meituan	140.2	-0.5	142.8	139.3
*Hong Kong Exchanges & Clearing Ltd	318.6	1	322.8	315.4
**Alibaba Group Holdings Ltd	93.15	-2	94.75	93.05
**Xiaomi Corp	12.06	0.1	12.24	11.92
**ICBC	3.65	-0.02	3.72	3.63

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	45.35	1.5	46.45	43.6
**China Mobile Ltd	63.65	-0.4	64.55	63.65
**Bank of China Ltd	2.81	0	2.84	2.8
*Techtronic Industries Co Ltd	96.95	3.9	98.35	93.9
*CK Hutchison Holdings Ltd	46.3	-0.65	47.25	46.3
*Link REIT	42.3	-0.2	42.7	42.15
*CLP Holding Ltd	62.6	0.25	63	62
**Geely Automobile Holdings Ltd	10.76	-0.06	10.9	10.64
**CNOOC Ltd	12.18	-0.2	12.5	12.18
**ANTA Sports Products Ltd	86.85	-0.7	88.25	86

Global Equity Indices	Close	Change	High	Low
Hang Seng	19420.87	-96.51	19650.2	19369.06
HSCEI	6652.16	-17.21	6730.85	6623.97
Shanghai Comp Index	3280.46	18.773	3280.86	3247.272
Nikkei 225	32159.3	-548.41	32467.1	32142.25
KOSPI	2605.39	-11.08	2625.45	2591.3
S&P/ASX200	7311.68	-42.916	7354.6	7287.9
DJIA	35215.9	-66.63	35348.2	35122.32
S&P 500	4501.89	-11.5	4519.49	4485.54
NASDAQ	13959.7	-13.74	14032.3	13881.35
DAX	15893.4	-126.64	15920.3	15807.85
CAC	7260.53	-0.72	7271.83	7213.87
FTSE100	7529.16	-32.47	7562.13	7437.88

Mini Hang Seng Futures Daily Chart



Mini Hang Seng China Enterprise Futures Daily Chart



Technical Analysis

Mini Hang Seng

1st Resistance:	19731	2nd Resistance:	20022
1st Support:	19147	2nd Support:	18856
MACD:	163.409		
MACD DIFF:	60.9721		
RSI:	51.5707		

Mini Hang Seng China Enterprise

1st Resistance:	6771	2nd Resistance:	6871
1st Support:	6571	2nd Support:	6471
MACD:	76.965		
MACD DIFF:	34.009		
RSI:	54.0357		

Strategy:

Mini Hang Seng:	Long: Profit target: 19147	Stop-loss: 19339	19052	Long: Profit target: 18856	Stop-loss: 19044	18762
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Short: Profit target: 19731	Stop-loss: 19533	19829	Short: Profit target: 20022	Stop-loss: 19822	20122
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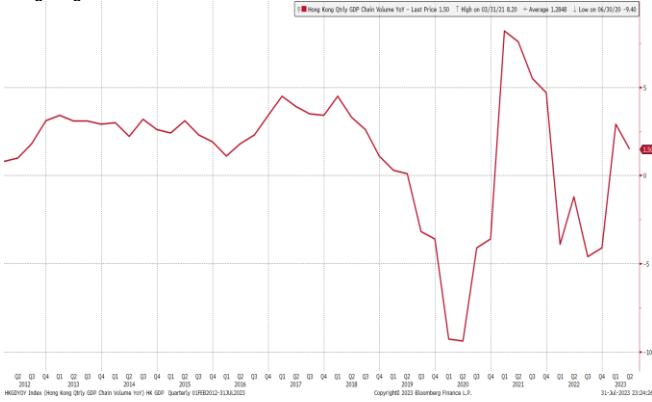
Mini Hang Seng China Enterprise:	Long: Profit target: 6571	Stop-loss: 6637	6538	Long: Profit target: 6471	Stop-loss: 6536	6439
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Short: Profit target: 6771	Stop-loss: 6703	6805	Short: Profit target: 6871	Stop-loss: 6802	6905
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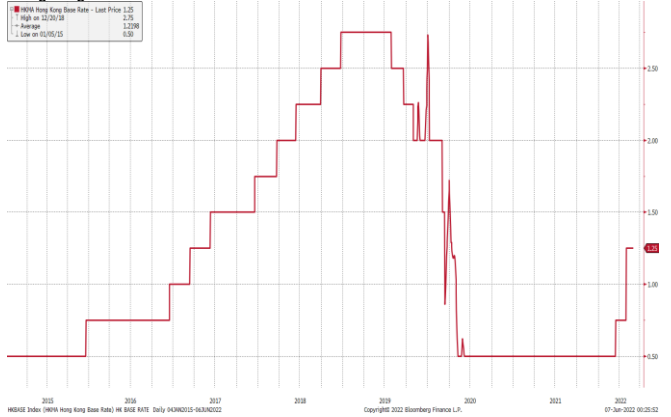
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
08/03/2023 08:30	S&P Global Hong Kong PMI	Jul	--	49.4	50.3	--
08/07/2023	Foreign Reserves	Jul	--	--	\$417.3b	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
08/03/2023 09:45	Caixin China PMI Composite	Jul	--	51.9	52.5	--
08/03/2023 09:45	Caixin China PMI Services	Jul	52.4	54.1	53.9	--
08/04/2023	BoP Current Account Balance	2Q P	--	--	\$81.5b	--
08/07/2023	Foreign Reserves	Jul	\$3203.00b	--	\$3193.00b	--
08/08/2023	Exports YoY	Jul	-12.60%	--	-12.40%	--
08/08/2023	Imports YoY	Jul	-5.30%	--	-6.80%	--
08/08/2023	Trade Balance	Jul	\$66.91b	--	\$70.62b	--
08/08/2023	Exports YoY CNY	Jul	--	--	-8.30%	--
08/08/2023	Imports YoY CNY	Jul	--	--	-2.60%	--
08/08/2023	Trade Balance CNY	Jul	--	--	491.25b	--
08/09/2023 09:30	CPI YoY	Jul	-0.50%	--	0.00%	--
08/09/2023 09:30	PPI YoY	Jul	-4.00%	--	-5.40%	--
08/09/2023 08/15	Aggregate Financing CNY	Jul	1120.0b	--	4220.0b	4224.1b
08/09/2023 08/15	New Yuan Loans CNY	Jul	750.0b	--	3050.0b	3049.5b
08/09/2023 08/15	Money Supply M2 YoY	Jul	10.80%	--	11.30%	--
08/09/2023 08/15	Money Supply M1 YoY	Jul	--	--	3.10%	--
08/09/2023 08/15	Money Supply M0 YoY	Jul	--	--	9.80%	--

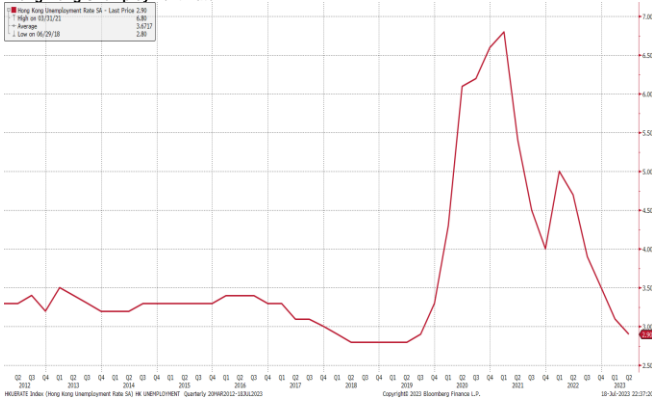
Hong Kong GDP Q on Q



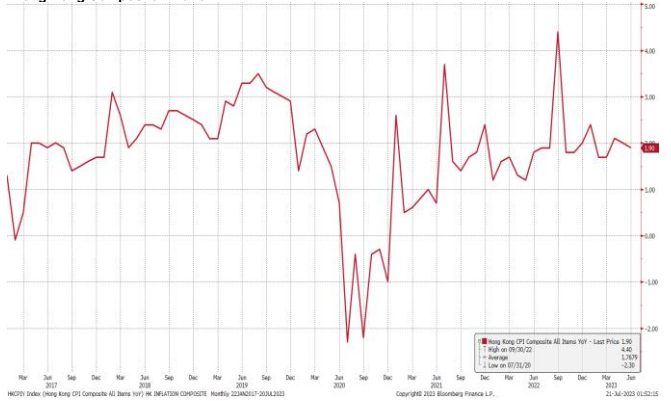
Hong Kong Base Interest Rate



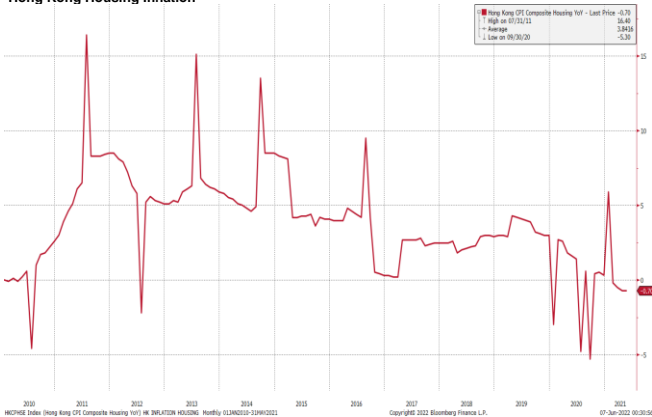
Hong Kong Unemployment Rate



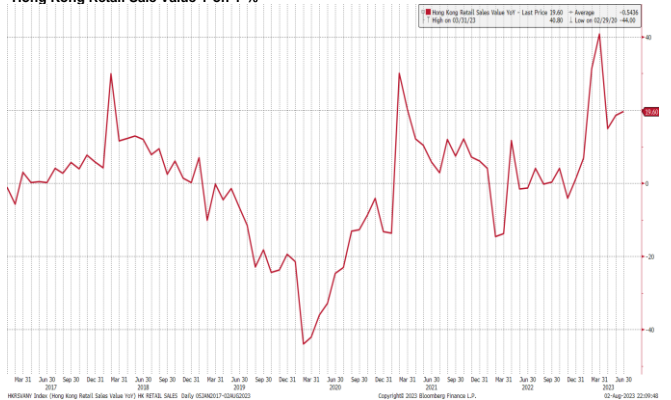
Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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