

Fundamentals:

Hong Kong stocks dropped for a second day, driving the benchmark gauge to a two-week low, as China's exports slumped by the most in three years, adding to evidence of a deepening slowdown in growth.

The Hang Seng Index fell 1.8 per cent to 19,184.17 at the close, the lowest level since July 24. The Hang Seng Tech Index dropped 2.8 per cent and the Shanghai Composite Index slipped 0.3 per cent.

Country Garden Holdings led the decline among Chinese property developers after Reuters reported that it missed interest payments on two US bonds totalling US\$22.5 million. Drug makers extended falls spurred by a widening campaign to eradicate corruption in the industry.

Chinese exports dropped 14.5 per cent year on year in July, the steepest monthly fall since February 2020, a report from the Customs department showed. The figure was lower than the consensus estimate of a 13.2 per cent decrease and a 12.4 per cent drop the previous month. Imports fell 12.4 per cent against projections of a 5.6 per cent decline. A report due Wednesday may also show that both consumer and producer prices were in deflationary territory last month.

Sentiment on risk assets remained skittish as traders are keeping a close watch on the follow-through measures after a Politburo meeting chaired by President Xi Jinping pledged to reinvestigate growth last month.

Morgan Stanley downgraded the rating on Chinese stocks last week, citing the risk of supportive measures falling short of expectations, and recommended investors wait for a better entry point.

Traders will also closely monitor corporate results as the earnings season kicks in. Alibaba Group Holding, China Mobile and Semiconductor Manufacturing International Corp are among the Hang Seng Index constituents that are expected to post first-half earnings this week.

So far, 16 companies on the Hang Seng gauge have released results, with their earnings growth averaging 47 per cent on a year-on-year basis, beating the estimate by 21 per cent, according to Bloomberg data.

Country Garden tumbled 14 per cent to HK\$1.13, capping the steepest decline since December 7. Its 4.98 per cent bond maturing in November slumped 28 per cent to 28 yuan. Its property-management affiliate Country Garden Services Holdings lost 9.7 per cent to HK\$8.12. Longfor Group Holdings slid 4.9 per cent to HK\$17.96.

Sino Biopharmaceutical retreated 2.8 per cent to HK\$3.10 and CSPC Pharmaceutical Group slid 2.5 per cent to HK\$5.77.

Two companies debuted on the mainland. Electronic equipment maker Huaqin Technology sank 9.3 per cent to 73.29 yuan in Shanghai and household appliance maker Guangdong Hallsmart Intelligence Technology lost 14 per cent to 11.41 yuan in Beijing.

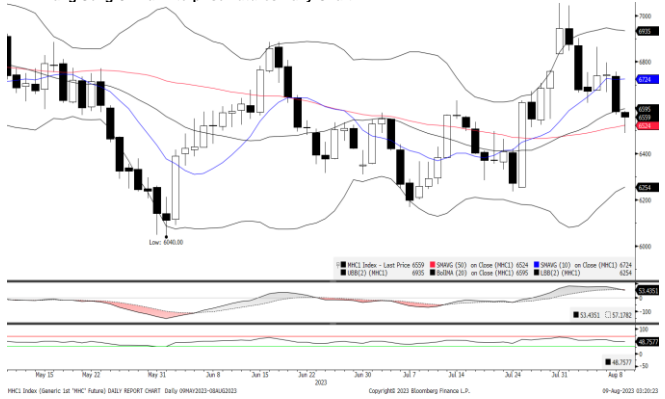
Other major Asian markets were mixed. Japan's Nikkei 225 climbed 0.4 per cent and Australia's S&P/ASX 200 added less than 0.1 per cent, while South Korea's Kospi retreated 0.3 per cent.

(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	-387	19140	19575	19105
H. SENG FUT SEP 23	-389	19136	19568	19111
H. SENG FUT DEC 23	-394	19348	19607	19324
H. SENG FUT MAR 24	-387	19140	19575	19105
MINI H. SENG FUT AUG 23	-387	19140	19576	19105
MINI H. SENG FUT SEP 23	-389	19136	19575	19108
MINI H. SENG FUT DEC 23	-394	19348	19773	19323
MINI H. SENG FUT MAR 24	-387	19140	19576	19105
HSCEI FUT AUG 23	-160	6583	6756	6569
HSCEI FUT SEP 23	-162	6581	6748	6565
HSCEI FUT DEC 23	-168	6675	6850	6671
HSCEI FUT MAR 24	-160	6583	6756	6569
MINI HSCEI FUT AUG 23	-160	6583	6756	6570
MINI HSCEI FUT SEP 23	-162	6581	6755	6570
MINI HSCEI FUT DEC 23	-168	6675	6832	6663
MINI HSCEI FUT MAR 24	-160	6583	6756	6570

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	72.5	-1.5	73.2	71.95
**Tencent Holdings Ltd	334.8	-6.4	337.2	333.4
*HSBC Holdings PLC	64	0.05	64.65	63.8
**China Construction Bank Corp	4.27	-0.04	4.31	4.26
**Ping An Insurance Group	52.75	-1.35	53.6	52.35
**Meituan	140.1	-4.6	142.5	138.7
*Hong Kong Exchanges & Clearing Ltd	311.6	-5.6	314	308.2
**Alibaba Group Holdings Ltd	93.05	-2.55	94.3	92.7
**Xiaomi Corp	12.06	-0.26	12.3	12.02
**ICBC	3.6	-0.04	3.63	3.58

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	43.25	-0.6	43.7	41.9
**China Mobile Ltd	64.9	-0.2	65.15	64.65
**Bank of China Ltd	2.77	-0.02	2.8	2.76
*Techtronic Industries Co Ltd	95.35	-1.95	97.25	94.65
*CK Hutchison Holdings Ltd	43.4	-0.9	44.25	43.2
*Link REIT	41.8	-0.55	42.35	41.45
*CLP Holding Ltd	62.15	-0.6	62.65	61.6
**Geely Automobile Holdings Ltd	10.38	-0.32	10.56	10.26
**CNOOC Ltd	12.64	0.04	12.8	12.52
**ANTA Sports Products Ltd	86.1	-0.9	86.7	84.1

Global Equity Indices	Close	Change	High	Low
Hang Seng	19184.17	-353.75	19370.8	19112.61
HSCEI	6587.75	-146.56	6661.57	6560.54
Shanghai Comp Index	3260.62	-8.211	3274.52	3246.675
Nikkei 225	32377.3	122.73	32539.9	32238.59
KOSPI	2573.98	-6.73	2601.41	2568.15
S&P/ASX200	7311.14	1.944	7342.5	7309.2
DJIA	35314.5	-158.64	35346.6	35007.41
S&P 500	4499.38	-19.06	4503.31	4464.39
NASDAQ	13884.3	-110.08	13899.7	13769.34
DAX	15774.9	-175.83	15946.6	15706.31
CAC	7269.47	-0.69	7325.73	7219.12
FTSE100	7527.42	-27.07	7554.49	7487.47

Technical Analysis

Mini Hang Seng

1st Resistance:	19427	2nd Resistance:	19714
1st Support:	18853	2nd Support:	18566
MACD:	102.915		
MACD DIFF:	-12.6085		
RSI:	46.585		

Mini Hang Seng China Enterprise

1st Resistance:	6682	2nd Resistance:	6780
1st Support:	6484	2nd Support:	6386
MACD:	66.301		
MACD DIFF:	8.279		
RSI:	49.6987		

Strategy:

Mini Hang Seng:

Long: Profit target:	18853	19041	18759	Long: Profit target:	18566	18751	18473
Stop-loss:				Stop-loss:			
Short: Profit target:	19427	19233	19524	Short: Profit target:	19714	19517	19813
Stop-loss:				Stop-loss:			

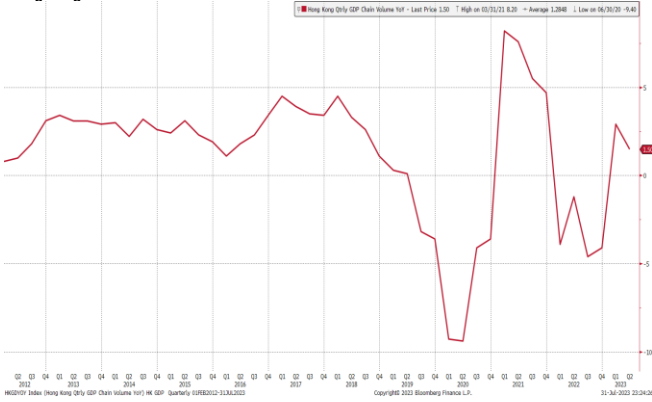
Mini Hang Seng China Enterprise:

Long: Profit target:	6484	6549	6452	Long: Profit target:	6386	6449	6354
Stop-loss:				Stop-loss:			
Short: Profit target:	6682	6615	6715	Short: Profit target:	6780	6713	6814
Stop-loss:				Stop-loss:			

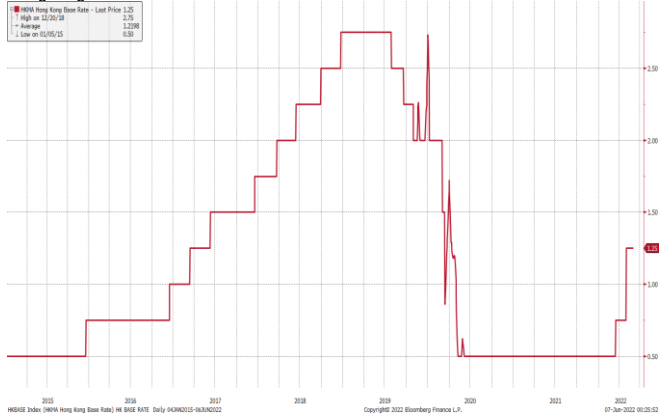
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
08/11/2023 16:30	GDP YoY	2Q F	1.50%	--	1.50%	--
08/11/2023 16:30	GDP SA QoQ	2Q F	--	--	-1.30%	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
08/08/2023 11:08	Exports YoY	Jul	-13.20%	-14.50%	-12.40%	--
08/08/2023 11:08	Imports YoY	Jul	-5.60%	-12.40%	-6.80%	--
08/08/2023 11:08	Trade Balance	Jul	\$70.00b	\$80.60b	\$70.62b	--
08/08/2023 11:08	Exports YoY CNY	Jul	--	-9.20%	-8.30%	--
08/08/2023 11:08	Imports YoY CNY	Jul	--	-6.90%	-2.60%	--
08/08/2023 11:08	Trade Balance CNY	Jul	--	575.70b	491.25b	--
08/09/2023 08/15	Aggregate Financing CNY	Jul	1100.0b	--	4220.0b	4224.1b
08/09/2023 08/15	New Yuan Loans CNY	Jul	780.0b	--	3050.0b	3049.5b
08/09/2023 08/15	Money Supply M2 YoY	Jul	11.00%	--	11.30%	--
08/09/2023 08/15	Money Supply M1 YoY	Jul	3.00%	--	3.10%	--
08/09/2023 08/15	Money Supply M0 YoY	Jul	--	--	9.80%	--
08/09/2023 09:30	CPI YoY	Jul	-0.40%	--	0.00%	--
08/09/2023 09:30	PPI YoY	Jul	-4.00%	--	-5.40%	--
08/11/2023 08/18	FDI YTD YoY CNY	Jul	--	--	-2.70%	--

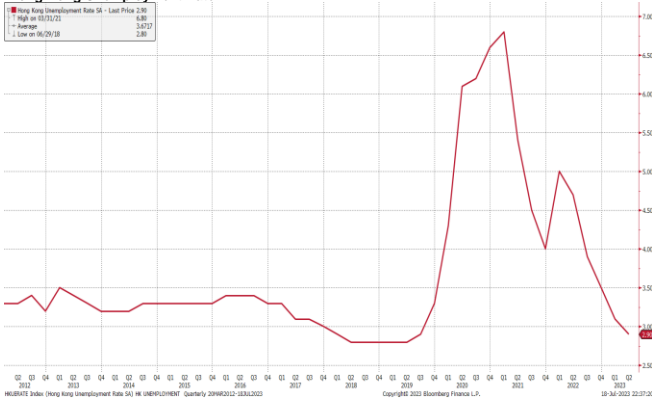
Hong Kong GDP Q on Q



Hong Kong Base Interest Rate



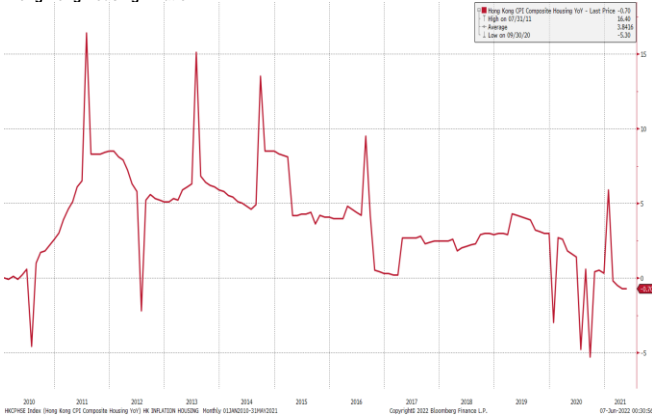
Hong Kong Unemployment Rate



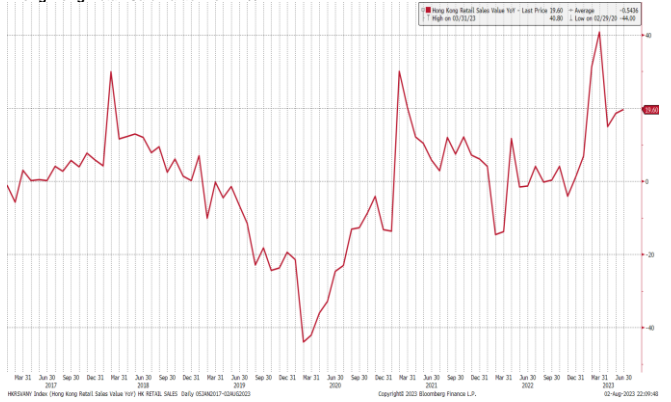
Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

Kenanga Futures Sdn Bhd (353603-X)

Dealing Desk: (603) 2172 3820 Fax: (603) 2172 2729 Email: futures@kenanga.com.my

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