

Fundamentals:

Hong Kong stocks declined, adding to the biggest monthly loss since February, after a government report showed a slump in manufacturing activity persisted in August and debt woes at developer Country Garden Holdings hurt sentiment.

The Hang Seng Index fell 0.6 per cent to 18,382.06 at the close of Thursday trading, retreating from near a two-week high. The index slumped 8.5 per cent in August, the most since a 9.4 per cent sell-off in February. The Tech Index dropped 0.4 per cent and the Shanghai Composite Index retreated 0.6 per cent.

Developers Longfor Group slumped 4.7 per cent to HK\$16.52 and China Resources Land lost 2.2 per cent to HK\$33.15. Bank of China slipped 1.5 per cent to HK\$2.66 after first-half earnings at the nation's third-largest lender missed consensus estimates. Alibaba Group Holding slipped 0.2 per cent to HK\$90.20 and Tencent Holdings lost 0.3 per cent to HK\$325.

Limiting losses, China Mengniu Dairy rallied 5.6 per cent to HK\$26.40 on the back of fatter operating margins in the first half. Baidu jumped 2.1 per cent to HK\$139.40 after opening its ChatGPT-like ErnieBot for public use.

This month's setback kept the city's benchmark stock index at 7.1 per cent loss since the start of the year, making it the worst performer among major world indices and wiping out US\$268 billion in market value from its 80 blue-chip members.

China's official PMI manufacturing index rose to 49.7 in August from 49.3 in July, the statistics bureau said on Thursday, coming above market expectations of 49.4. Still, it marked a fifth straight month of contraction as the reading stayed below the 50-point threshold.

Bets on bigger policy reactions from Beijing grew after recent piecemeal economic measures failed to impress investors. Authorities took measures to boost markets and restore confidence, with Hong Kong setting up a task force to improve its capital market and China cutting stamp duty and margin requirements to spur stock trading.

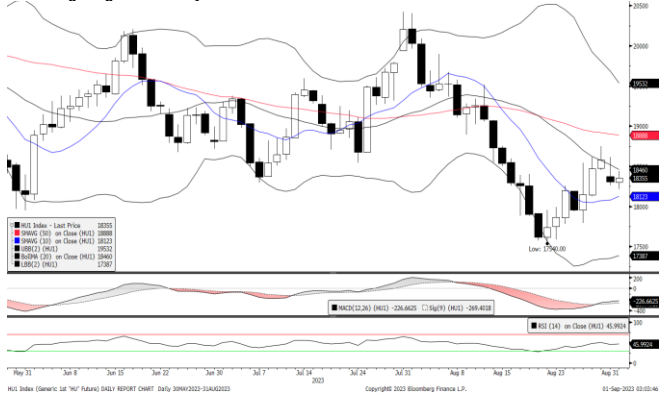
Elsewhere, Country Garden reported its first interim loss since 2007 before several deadlines on bond principal and interest payments in the coming days. While its shares rebounded by 9.9 per cent this week, the risk of default has erased 44 per cent of the company's market value over the past one month.

Some 72 of the Hang Seng Index's 80 members have released their latest results so far, registering an average 1.3 per cent decline in earnings, according to Bloomberg data. The index members posted an average 5.5 per cent increase in 2022.

Other major Asian markets were mixed in Thursday trading. Japan's Nikkei 225 climbed 0.9 per cent, while South Korea's Kospi retreated 0.2 per cent and Australia's S&P/ASX 200 added 0.1 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 SEP 23	-73	18304	18614	18265
H. SENG FUT OCT 23	-89	18354	19298	18330
H. SENG FUT DEC 23	-72	18471	18761	18456
H. SENG FUT MAR 24	-73	18304	18614	18265
MINI H. SENG FUT SEP 23	-73	18304	18614	18267
MINI H. SENG FUT OCT 23 #N/A	N/A	18354	18658	18320
MINI H. SENG FUT DEC 23	-72	18471	18778	18445
MINI H. SENG FUT MAR 24	-73	18304	18614	18267
HSCEI FUT SEP 23	-11	6309	6408	6282
HSCEI FUT OCT 23	-16	6330	6407	6309
HSCEI FUT DEC 23	-9	6391	6480	6385
HSCEI FUT MAR 24	-11	6309	6408	6282
MINI HSCEI FUT SEP 23	-11	6309	6409	6282
MINI HSCEI FUT OCT 23 #N/A	N/A	6330	6426	6307
MINI HSCEI FUT DEC 23	-9	6391	6470	6374
MINI HSCEI FUT MAR 24	-11	6309	6409	6282

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	71.2	0	72.25	70.65
**Tencent Holdings Ltd	325	-0.8	331.8	322
**HSBC Holdings PLC	58.85	-0.5	59.35	58.85
**China Construction Bank Corp	4.2	0.01	4.22	4.17
**Ping An Insurance Group	46.95	-0.1	48.5	46.75
**Meituan	128.5	-5.7	134.2	128.3
*Hong Kong Exchanges & Clearing Ltd	304	-5	314.8	302.4
**Alibaba Group Holdings Ltd	90.2	-0.15	91.7	89.6
**Xiaomi Corp	12.36	-0.1	12.58	12.24
**ICBC	3.6	0.03	3.63	3.56

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	44.15	-2.1	46.95	43.85
**China Mobile Ltd	67.1	1	67.35	66.2
**Bank of China Ltd	2.66	-0.04	2.7	2.66
*Techtronic Industries Co Ltd	77.5	-1.2	79.1	77.2
*CK Hutchison Holdings Ltd	42.75	0.35	43	42.35
*Link REIT	38.9	-0.65	39.75	38.75
*CLP Holding Ltd	61.5	0.4	61.7	61.25
**Geely Automobile Holdings Ltd	9.74	-0.09	9.94	9.67
**CNOOC Ltd	13.38	0.18	13.4	13.14
**ANTA Sports Products Ltd	88.35	-1.15	91	87.75

Global Equity Indices	Close	Change	High	Low
Hang Seng	18382.06	-100.8	18667.2	18312.76
HSCEI	6332.42	-24.08	6430.31	6303.77
Shanghai Comp Index	3119.88	-17.261	3139.98	3113.946
Nikkei 225	32619.3	285.88	32692.8	32359.15
KOSPI	2556.27	-4.95	2568.06	2547.72
S&P/ASX200	7305.27	7.524	7310.1	7291.3
DJIA	34721.9	-168.33	35070.2	34719.77
S&P 500	4507.66	-7.21	4532.26	4507.39
NASDAQ	14035	15.66	14114.7	14010.48
DAX	15947.1	55.15	16042.7	15914.43
CAC	7316.7	-0.65	7386.95	7316.7
FTSE100	7439.13	-34.54	7500.44	7439.13

Technical Analysis

Mini Hang Seng

1st Resistance:	18579	2nd Resistance:	18853
1st Support:	18029	2nd Support:	17755
MACD:	-247.301		
MACD DIFF:	32.9231		
RSI:	45.0232		

Mini Hang Seng China Enterprise

1st Resistance:	6404	2nd Resistance:	6498
1st Support:	6214	2nd Support:	6120
MACD:	-66.204		
MACD DIFF:	10.746		
RSI:	46.9766		

Strategy:

Mini Hang Seng:	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:
	18029	18210	17939	17755	17932	17666

Mini Hang Seng:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
	18579	18393	18671	18853	18665	18947

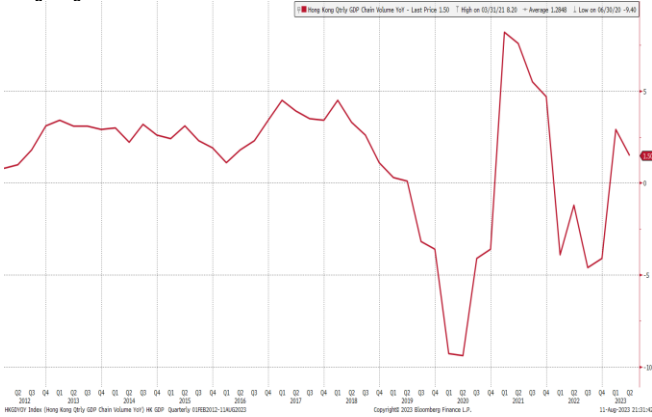
Mini Hang Seng China Enterprise:	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:
	6214	6277	6183	6120	6181	6089

Mini Hang Seng China Enterprise:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
	6404	6340	6436	6498	6433	6531

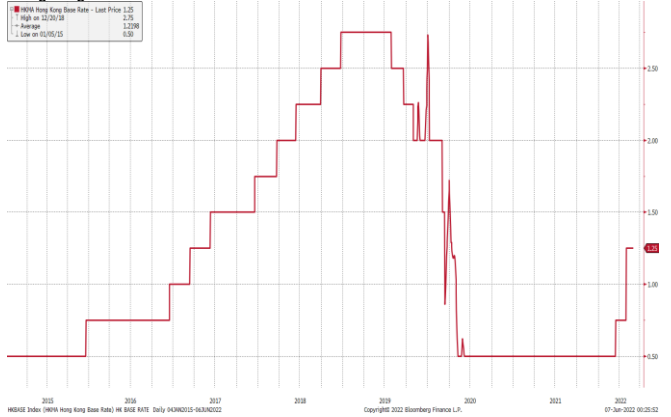
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
08/31/2023 16:30	Retail Sales Value YoY	Jul	18.00%	16.50%	19.60%	19.50%
08/31/2023 16:30	Money Supply M3 HKD YoY	Jul	--	0.30%	-0.10%	--
08/31/2023 16:30	Money Supply M2 HKD YoY	Jul	--	0.30%	-0.10%	--
08/31/2023 16:30	Money Supply M1 HKD YoY	Jul	--	-20.10%	-21.70%	--
08/31/2023 16:30	Retail Sales Volume YoY	Jul	17.30%	14.00%	17.50%	17.40%
08/31/2023 16:30	Budget Balance HKD	Jul	--	-41.8b	-30.0b	--
09/05/2023 08:30	S&P Global Hong Kong PMI	Aug	--	--	49.4	--
09/07/2023	Foreign Reserves	Aug	--	--	\$421.6b	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
08/31/2023 09:30	Composite PMI	Aug	--	51.3	51.1	--
08/31/2023 09:30	Manufacturing PMI	Aug	49.2	49.7	49.3	--
08/31/2023 09:30	Non-manufacturing PMI	Aug	51.2	51	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	53.9	--	54.1	--
09/07/2023	Foreign Reserves	Aug	--	--	\$3204.27b	--
09/07/2023	Exports YoY	Aug	--	--	-14.50%	--
09/07/2023	Imports YoY	Aug	--	--	-12.40%	--
09/07/2023	Trade Balance	Aug	--	--	\$80.60b	--
09/07/2023	Exports YoY CNY	Aug	--	--	-9.20%	--
09/07/2023	Imports YoY CNY	Aug	--	--	-6.90%	--
09/07/2023	Trade Balance CNY	Aug	--	--	575.70b	--

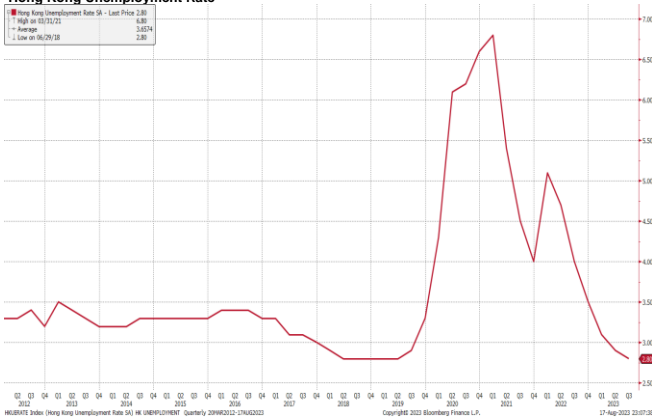
Hong Kong GDP Q on Q



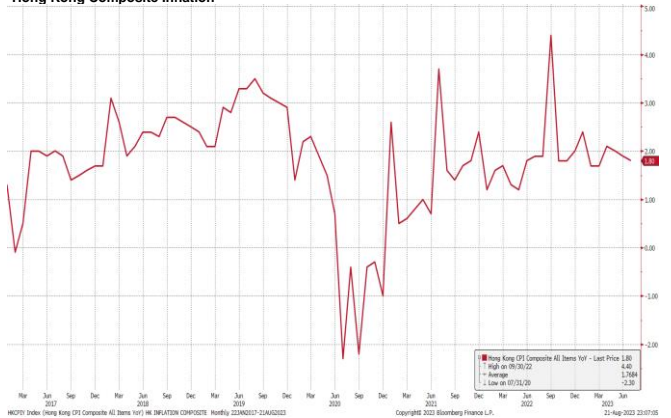
Hong Kong Base Interest Rate



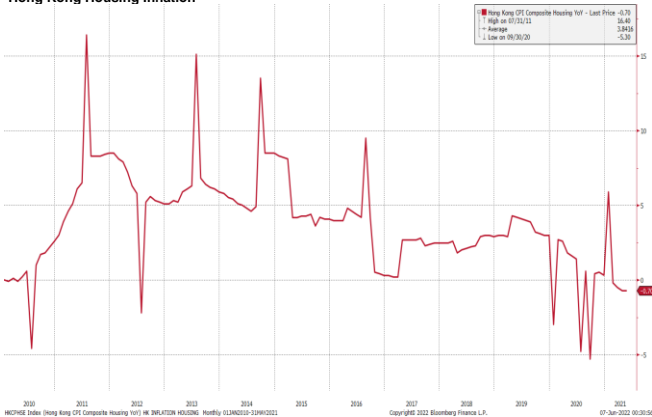
Hong Kong Unemployment Rate



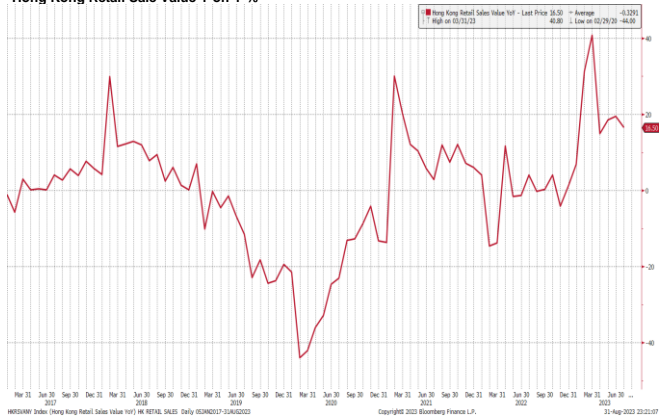
Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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