

**Fundamentals:**

Hong Kong stocks fell to a two-week low, led by losses in Alibaba Group, after former chairman and CEO Daniel Zhang Yong surprisingly quit the e-commerce group amid a leadership transition. Losses narrowed after China signalled it would defend the yuan against speculators.

The Hang Seng Index slipped 0.6 per cent to 18,096.45 on Monday from Thursday's level. Local financial markets were closed on Friday because of a bad weather warning. The Tech Index dropped 0.2 per cent while the Shanghai Composite Index added 0.8 per cent.

Alibaba Group dropped 3 per cent to HK\$88.05 and while JD.com fell 2.3 per cent to HK\$125.60 to an all-time low. Sun Hung Kai Properties sank 9.5 per cent to HK\$79.95 after profit in the year to June 30 missed consensus estimates. Chinese developers Longfor Group tumbled 3.8 per cent to HK\$16.76 and peer Chinese Overseas Land and Investment lost 2.7 per cent to HK\$16.72.

Zhang departed from Alibaba's board and management as chairman and CEO on Sunday as planned, according to a filing on Monday. However, he surprisingly quit the top post at the cloud intelligence unit, as previously arranged in June. Eddie Wu, the new CEO, will now oversee that unit in acting capacity.

Zhang remains a partner in Alibaba Group, the owner of the South China Morning Post.

"Investors will be focused on any further clarity from the new management team on Alibaba's latest organisational strategies and capital market plans of its respective subsidiaries," Goldman Sachs said in a report.

Stocks pared losses after the Chinese central bank signalled on Monday it was ready to defend its currency in a warning shot to currency speculators. A separate report showed both aggregate financing and new lending surged in August from July, beating market expectations.

The offshore yuan strengthened 0.8 per cent to trade at 7.3038 per dollar on Monday, the biggest gain since March. The currency slumped last week to a 16-year low in onshore trading as China's external trade shrank in August.

The Hang Seng Index fell 1 per cent last week, snapping a two-week advance. A government report over the weekend showed consumer prices climbed 0.1 per cent from a year earlier, reversing a 0.3 per cent contraction in July. Producer prices dropped 3 per cent, extending deflation for an 11th straight month.

While valuations are appealing and selling pressure has passed its peak, Beijing needs to address real risks in the economy and investors' "absolutely reasonable" concerns about the growth outlook, CLSA said.

Two stocks debuted today. Hangzhou Heatwell Electric Heating Technology surged 69 per cent to 39.10 yuan in Shanghai, while auto-parts maker Wuhu Foresight Technology rose 76 per cent to 64.26 yuan in Shenzhen.

Other major Asian markets were mixed. Japan's Nikkei 225 slipped 0.4 per cent, while South Korea's Kospi retreated 0.4 per cent and Australia's S&P/ASX 200 added 0.5 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      | -41 | 18115 | 18194 | 17844 |
| H. SENG FUT OCT 23      | -33 | 18178 | 18250 | 17925 |
| H. SENG FUT DEC 23      | -37 | 18286 | 18355 | 18019 |
| H. SENG FUT MAR 24      | -41 | 18115 | 18194 | 17844 |
| MINI H. SENG FUT SEP 23 | -41 | 18115 | 18192 | 17846 |
| MINI H. SENG FUT OCT 23 | -33 | 18178 | 18250 | 17906 |
| MINI H. SENG FUT DEC 23 | -37 | 18286 | 18350 | 18026 |
| MINI H. SENG FUT MAR 24 | -41 | 18115 | 18192 | 17846 |
| HSCEI FUT SEP 23        | 7   | 6305  | 6335  | 6193  |
| HSCEI FUT OCT 23        | 8   | 6329  | 6357  | 6224  |
| HSCEI FUT DEC 23        | 9   | 6385  | 6394  | 6275  |
| HSCEI FUT MAR 24        | 7   | 6305  | 6335  | 6193  |
| MINI HSCEI FUT SEP 23   | 7   | 6305  | 6334  | 6193  |
| MINI HSCEI FUT OCT 23   | 8   | 6329  | 6352  | 6227  |
| MINI HSCEI FUT DEC 23   | 9   | 6385  | 6400  | 6278  |
| MINI HSCEI FUT MAR 24   | 7   | 6305  | 6334  | 6193  |

| Major HSI Constituent Stocks        | Close | Change  | High  | Low   |
|-------------------------------------|-------|---------|-------|-------|
| *Alia Group Ltd                     | 66.3  | -1.2771 | 67.25 | 64.4  |
| **Tencent Holdings Ltd              | 324   | 2.4     | 325.4 | 315.4 |
| *HSBC Holdings PLC                  | 57.65 | 0.35    | 57.9  | 56.85 |
| **China Construction Bank Corp      | 4.31  | 0.02    | 4.33  | 4.25  |
| **Ping An Insurance Group           | 47.2  | 0.34933 | 47.45 | 46.15 |
| **Meituan                           | 125.7 | 0.7     | 127.1 | 122   |
| *Hong Kong Exchanges & Clearing Ltd | 300.2 | -7      | 302.8 | 294   |
| **Alibaba Group Holdings Ltd        | 88.05 | -2.75   | 88.8  | 86.85 |
| **Xiaomi Corp                       | 11.7  | -0.2    | 11.8  | 11.26 |
| **ICBC                              | 3.75  | -0.02   | 3.78  | 3.69  |

| Major HSCEI Constituent Stocks  | Close | Change | High  | Low   |
|---------------------------------|-------|--------|-------|-------|
| *Wuxi Biologics Cayman Inc      | 42.7  | 0.85   | 43.05 | 41.25 |
| **China Mobile Ltd              | 65.05 | 0.05   | 65.3  | 64.65 |
| **Bank of China Ltd             | 2.69  | 0      | 2.7   | 2.66  |
| *Techtronic Industries Co Ltd   | 78.1  | 2.3    | 78.3  | 75.4  |
| *CK Hutchison Holdings Ltd      | 41.55 | 0.2    | 41.7  | 41.1  |
| *Link REIT                      | 37.75 | -0.8   | 38.6  | 37.35 |
| *CLP Holding Ltd                | 58.85 | -0.35  | 59.2  | 58.5  |
| **Geely Automobile Holdings Ltd | 9.79  | 0.13   | 9.86  | 9.42  |
| **CNOOC Ltd                     | 13.34 | -0.14  | 13.56 | 13.26 |
| **ANTA Sports Products Ltd      | 89.85 | 1.05   | 90.35 | 86.3  |

| Global Equity Indices | Close    | Change  | High    | Low      |
|-----------------------|----------|---------|---------|----------|
| Hang Seng             | 18096.45 | -105.62 | 18164.6 | 17842.37 |
| HSCEI                 | 6298.72  | -15.95  | 6326.35 | 6197.1   |
| Shanghai Comp Index   | 3142.78  | 26.06   | 3155.1  | 3113.816 |
| Nikkei 225            | 32467.8  | -139.08 | 32746.1 | 32391.69 |
| KOSPI                 | 2556.88  | 9.2     | 2556.89 | 2540.44  |
| S&P/ASX200            | 7192.32  | 35.624  | 7192.3  | 7134     |
| DJIA                  | 34663.7  | 87.13   | 34784.5 | 34578.59 |
| S&P 500               | 4487.46  | 29.97   | 4490.77 | 4467.89  |
| NASDAQ                | 13917.9  | 156.36  | 13937.5 | 13805.13 |
| DAX                   | 15801    | 56.24   | 15867.6 | 15771.07 |
| CAC                   | 7278.27  | 0.52    | 7316.5  | 7253.65  |
| FTSE100               | 7496.87  | 18.68   | 7549.34 | 7467.35  |

**Technical Analysis**

**Mini Hang Seng**

|                 |          |                 |       |
|-----------------|----------|-----------------|-------|
| 1st Resistance: | 18387    | 2nd Resistance: | 18658 |
| 1st Support:    | 17843    | 2nd Support:    | 17572 |
| MACD:           | -166.511 |                 |       |
| MACD DIFF:      | 23.0252  |                 |       |
| RSI:            | 42.8306  |                 |       |

**Mini Hang Seng China Enterprise**

|                 |         |                 |      |
|-----------------|---------|-----------------|------|
| 1st Resistance: | 6400    | 2nd Resistance: | 6494 |
| 1st Support:    | 6210    | 2nd Support:    | 6116 |
| MACD:           | -30.647 |                 |      |
| MACD DIFF:      | 11.195  |                 |      |
| RSI:            | 46.9109 |                 |      |

**Strategy:**

| Mini Hang Seng: | Long: Profit target: | Stop-loss: | Long: Profit target: | Stop-loss: |
|-----------------|----------------------|------------|----------------------|------------|
|                 | 17843                | 18022      | 17572                | 17747      |
|                 |                      |            | 17484                |            |

| Short: Profit target: | Stop-loss: | Short: Profit target: | Stop-loss: |
|-----------------------|------------|-----------------------|------------|
| 18387                 | 18203      | 18479                 | 18658      |
|                       |            |                       | 18472      |
|                       |            |                       | 18752      |

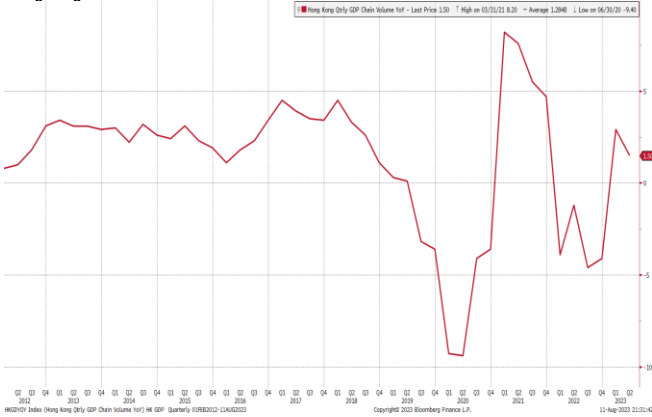
| Mini Hang Seng China Enterprise: | Long: Profit target: | Stop-loss: | Long: Profit target: | Stop-loss: |
|----------------------------------|----------------------|------------|----------------------|------------|
|                                  | 6210                 | 6273       | 6179                 | 6116       |
|                                  |                      |            | 6177                 | 6085       |

| Short: Profit target: | Stop-loss: | Short: Profit target: | Stop-loss: |
|-----------------------|------------|-----------------------|------------|
| 6400                  | 6336       | 6432                  | 6494       |
|                       |            |                       | 6429       |
|                       |            |                       | 6527       |

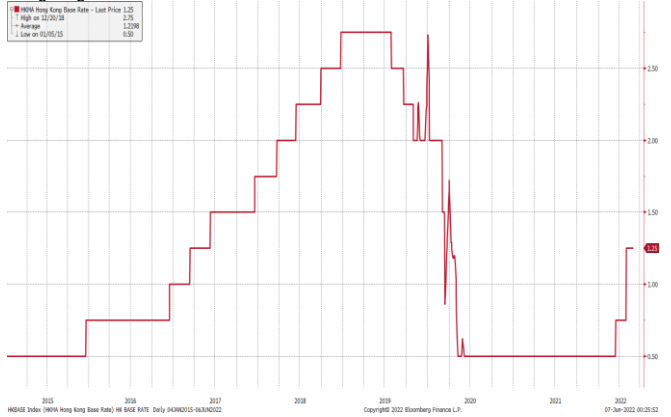
| Hong Kong Economic Releases | Period  | Survey | Actual | Prior | Revised |
|-----------------------------|---|--------|--------|-------|---------|
| 09/11/2023 07:00            | Bloomberg Sept. Hong Kong Economic Survey (Table) |        |        |       |         |
| 09/13/2023 16:30            | PPI YoY   | 2Q     | --     | --    | 1.00%   |
| 09/13/2023 16:30            | Industrial Production YoY                         | 2Q     | --     | --    | 3.90%   |
| 09/19/2023 16:30            | Unemployment Rate SA                              | Aug    | --     | --    | 2.80%   |

| China Economic Releases | Period                                | Survey | Actual  | Prior   | Revised |
|-------------------------|---------------------------------------|--------|---------|---------|---------|
| 09/11/2023 12:41        | Money Supply M2 YoY                   | Aug    | 10.70%  | 10.70%  | --      |
| 09/11/2023 12:41        | Money Supply M0 YoY                   | Aug    | --      | 9.50%   | --      |
| 09/11/2023 12:41        | New Yuan Loans CNY                    | Aug    | 1250.0b | 1360.0b | 345.9b  |
| 09/11/2023 12:41        | Money Supply M1 YoY                   | Aug    | 2.40%   | 2.20%   | 2.30%   |
| 09/11/2023 12:44        | Aggregate Financing CNY               | Aug    | 2690.0b | 3120.0b | 528.2b  |
| 09/11/2023 09:18        | FDI YTD YoY CNY                       | Aug    | --      | --      | -4.00%  |
| 09/15/2023 09:20        | 1-Yr Medium-Term Lending Facility Ra  | Sep-15 | 2.50%   | --      | 2.50%   |
| 09/15/2023 09:20        | 1-Yr Medium-Term Lending Facilities \ | Sep-15 | 420.0b  | --      | 401.0b  |
| 09/15/2023 09:30        | New Home Prices MoM                   | Aug    | --      | --      | -0.23%  |
| 09/15/2023 10:00        | Industrial Production YoY             | Aug    | 3.90%   | --      | 3.70%   |
| 09/15/2023 10:00        | Industrial Production YTD YoY         | Aug    | 3.80%   | --      | 3.80%   |
| 09/15/2023 10:00        | Retail Sales YoY                      | Aug    | 3.00%   | --      | 2.50%   |
| 09/15/2023 10:00        | Retail Sales YTD YoY                  | Aug    | 6.80%   | --      | 7.30%   |
| 09/15/2023 10:00        | Fixed Assets Ex Rural YTD YoY         | Aug    | 3.40%   | --      | 3.40%   |
| 09/15/2023 10:00        | Property Investment YTD YoY           | Aug    | -9.00%  | --      | -8.50%  |
| 09/15/2023 10:00        | Residential Property Sales YTD YoY    | Aug    | --      | --      | 0.70%   |
| 09/15/2023 10:00        | Surveyed Jobless Rate                 | Aug    | 5.30%   | --      | 5.30%   |
| 09/15/2023              | FX Net Settlement - Clients CNY       | Aug    | --      | --      | -41.8b  |

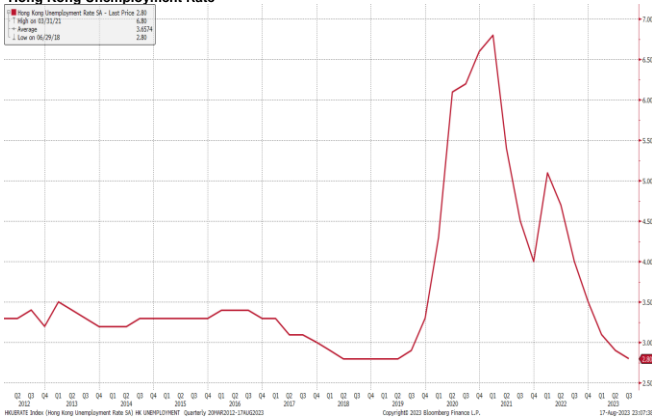
**Hong Kong GDP Q on Q**



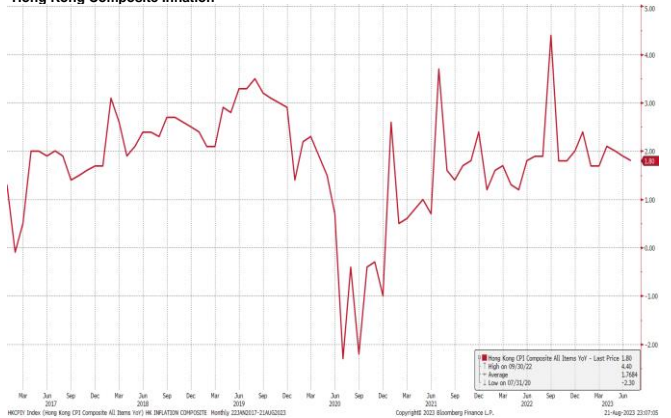
**Hong Kong Base Interest Rate**



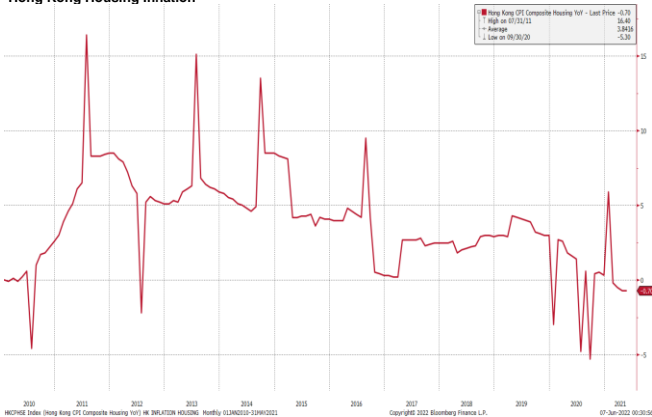
**Hong Kong Unemployment Rate**



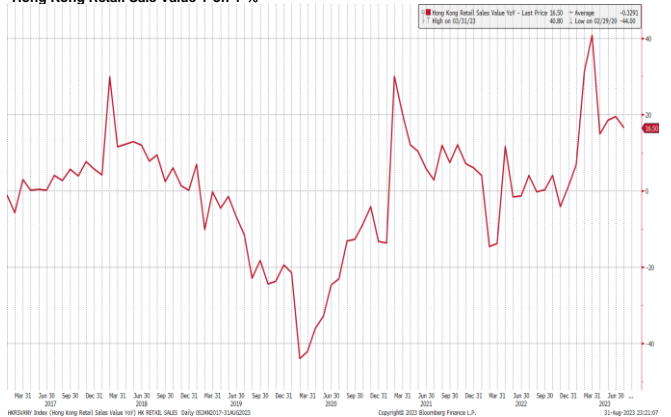
**Hong Kong Composite Inflation**



**Hong Kong Housing Inflation**



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



(Source: Bloomberg)

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