

Fundamentals:

Hong Kong stocks dropped, extending a slide to a one-month low. The Federal Reserve took a hawkish pause in its tightening cycle, as officials indicated another hike this year may be appropriate and also projected fewer rate cuts in 2024. The yuan weakened further against the US dollar.

The Hang Seng Index dropped 1.3 per cent to 17,655.41 at the close of Thursday trading, the lowest since August 21. The Tech index slumped 1.9 per cent, while the Shanghai Composite Index lost 0.8 per cent.

Trading volume on the city's stock exchange shrank to less than HK\$70 billion (US\$9 billion) per day this week, compared with a HK\$115 billion daily average in the first six months this year, Bloomberg data showed.

Tencent weakened 2 per cent to HK\$303, Alibaba Group dropped 2.2 per cent to HK\$82.65 and Meituan tumbled 2.4 per cent to HK\$116.30. AIA Group retreated 1.5 per cent to HK\$64.55, Wuxi Biologics sank 2.9 per cent to HK\$40.75 and sportswear maker Li Ning slid 1.7 per cent to HK\$34.

The city's benchmark index has declined 3 per cent this week, bringing the slide this month to 4 per cent. China's housing market crisis, a liquidity squeeze crippling the nation's biggest developers, and Beijing's drip-feed approach to stimulus have prompted global funds to dump their holdings.

The Fed kept its target rate unchanged at 5.25 per cent to 5.5 per cent on Wednesday in New York, the second pause since its "lift-off" in March 2022. Chair Jerome Powell suggested policymakers have not reached the end of their tightening this year, based on projections by the open-market committee meeting participants.

The majority of meeting participants believed "it's more likely than not that it will be appropriate for us to raise rates one more time in the two remaining meetings this year," Powell told reporters after the decision.

The Fed board members bank presidents adjusted the appropriate policy path in 2023 to a range of 5.4 per cent to 5.6 per cent for the Fed funds rate, according to their latest projections, versus 5.1 per cent to 6.1 per cent in June. They projected a range of 4.4 per cent to 6.1 per cent for 2024, versus 3.6 per cent to 5.9 per cent previously.

The Hong Kong Monetary Authority kept its base rate unchanged at 5.75 per cent. "The Hong Kong dollar interbank rates might remain high for some time," it said in a statement on Thursday.

Local banks and developers traded lower as mortgage rates could remain high and depress property prices. Hang Seng Bank lost 0.6 per cent to HK\$95.10 and HSBC dropped 0.5 per cent to HK\$60.80. Developer Sun Hung Kai Properties lost 1 per cent to HK\$79.55 while peer New World Development tumbled 1.6 per cent to HK\$15.14.

The yuan weakened after the Fed decision as US government bond yields jumped and the dollar strengthened. The Chinese currency weakened to 7.3094 per dollar in recent trading in Hong Kong, versus 7.3074 on Wednesday.

Elsewhere, Guangdong Feinan Resources surged 42 percent to 33.98 yuan on its first day of trading in Shenzhen.

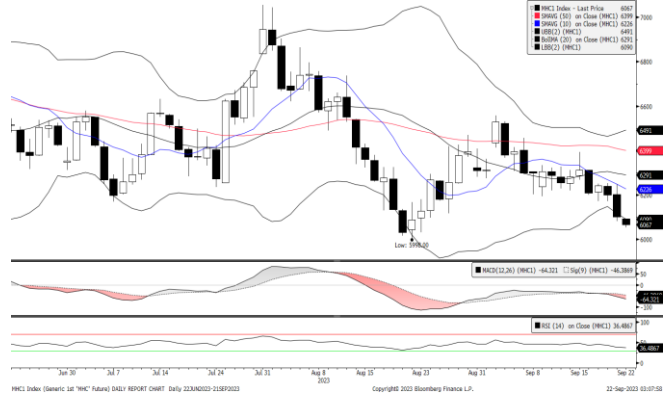
Other key Asian markets retreated. Australia's S&P/ASX 200 and the Nikkei 225 Index in Japan both dropped 1.4 per cent, while South Korea's Kospi slid 1.8 per cent.

(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	-265	17671	18068	17619
H. SENG FUT OCT 23	-271	17729	18128	17680
H. SENG FUT DEC 23	-272	17836	18228	17789
H. SENG FUT MAR 24	-265	17671	18068	17619
MINI H. SENG FUT SEP 23	-265	17671	18068	17619
MINI H. SENG FUT OCT 23	-271	17729	18125	17679
MINI H. SENG FUT DEC 23	-272	17836	18235	17786
MINI H. SENG FUT MAR 24	-265	17671	18068	17619
HSCEI FUT SEP 23	-98	6102	6248	6083
HSCEI FUT OCT 23	-94	6126	6267	6109
HSCEI FUT DEC 23	-100	6182	6327	6169
HSCEI FUT MAR 24	-98	6102	6248	6083
MINI HSCEI FUT SEP 23	-98	6102	6248	6083
MINI HSCEI FUT OCT 23	-94	6126	6271	6107
MINI HSCEI FUT DEC 23	-100	6182	6329	6170
MINI HSCEI FUT MAR 24	-98	6102	6248	6083

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	64.55	-1	65.35	64.4
**Tencent Holdings Ltd	303	-6.2	308.4	302
**HSBC Holdings PLC	60.8	-0.3	61	60.55
**China Construction Bank Corp	4.41	-0.03	4.5	4.4
**Ping An Insurance Group	45.4	-0.8	46.05	45.3
**Meituan	116.3	-2.9	117.8	115.2
*Hong Kong Exchanges & Clearing Ltd	287	0.4	289	282.6
**Alibaba Group Holdings Ltd	82.65	-1.85	84.3	82.35
**Xiaomi Corp	11.68	-0.12	11.82	11.52
**ICBC	3.76	-0.04	3.85	3.73

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	40.75	-1.2	41.6	40.15
**China Mobile Ltd	68.05	0.35	68.95	67.4
**Bank of China Ltd	2.72	-0.01	2.77	2.7
*Techtronic Industries Co Ltd	78.05	-1.05	79.5	77.55
*CK Hutchison Holdings Ltd	41.15	-0.4	41.75	41.05
*Link REIT	36.8	-1	37.9	36.7
*CLP Holding Ltd	58.35	-0.75	59.45	58.25
**Geely Automobile Holdings Ltd	9.36	-0.12	9.46	9.26
**CNOOC Ltd	13.7	-0.14	13.84	13.62
**ANTA Sports Products Ltd	88.05	-1.15	89.1	87.1

Global Equity Indices	Close	Change	High	Low
Hang Seng	17655.41	-230.19	17823.8	17623.87
HSCEI	6099.26	-82.47	6165.67	6084.21
Shanghai Comp Index	3084.7	-23.867	3113.49	3084.701
Nikkei 225	32571	-452.75	32939.9	32550.65
KOSPI	2514.97	-44.77	2549.63	2514.96
S&P/ASX200	7065.23	-98.096	7163.3	7058.6
DJIA	34070.4	-370.46	34378.3	34058.72
S&P 500	4330	-72.2	4375.7	4329.17
NASDAQ	13224	-245.14	13362.2	13222.56
DAX	15571.9	-209.73	15696.7	15548.69
CAC	7213.9	-1.59	7270.06	7199.11
FTSE100	7678.62	-53.03	7746.53	7674.7

Technical Analysis

Mini Hang Seng

1st Resistance:	17936	2nd Resistance:	18201
1st Support:	17406	2nd Support:	17141
MACD:	-198.787		
MACD DIFF:	-17.6421		
RSI:	35.8536		

Mini Hang Seng China Enterprise

1st Resistance:	6194	2nd Resistance:	6285
1st Support:	6010	2nd Support:	5919
MACD:	-53.965		
MACD DIFF:	-12.070		
RSI:	38.0057		

Strategy:

Mini Hang Seng:	Long: Profit target: 17406	Stop-loss: 17580	17319	Long: Profit target: 17141	Stop-loss: 17312	17055
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	Short: Profit target: 17936	Stop-loss: 17757	18026	Short: Profit target: 18201	Stop-loss: 18019	18292
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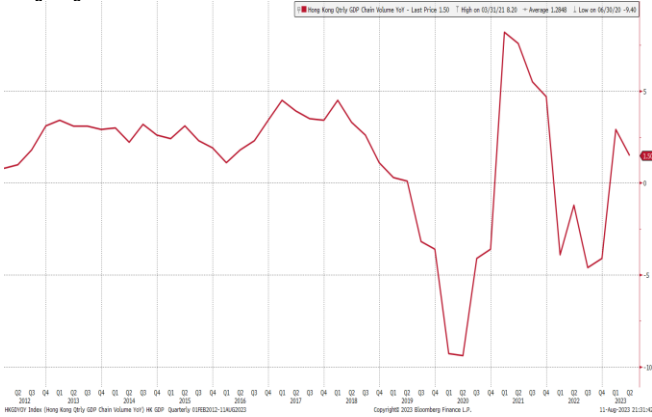
Mini Hang Seng China Enterprise:	Long: Profit target: 6010	Stop-loss: 6071	5980	Long: Profit target: 5919	Stop-loss: 5978	5889
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	Short: Profit target: 6194	Stop-loss: 6132	6224	Short: Profit target: 6285	Stop-loss: 6222	6316
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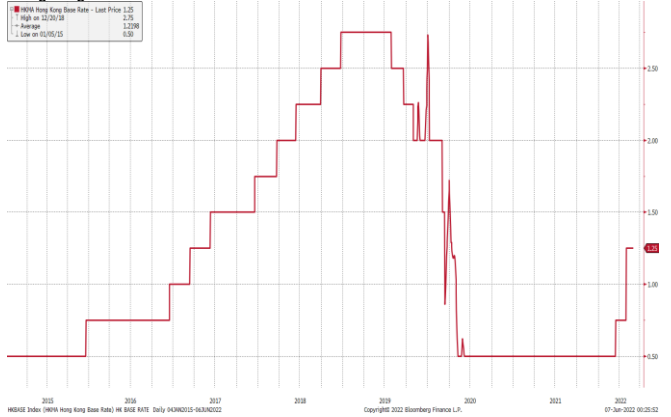
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
09/21/2023 16:30	BoP Overall	2Q	--	-\$90.51b	\$3.64b	--
09/21/2023 16:30	CPI Composite YoY	Aug	2.00%	1.80%	1.80%	--
09/21/2023 16:30	BoP Current Account Balance	2Q	--	\$47.51b	\$41.26b	\$42.62b
09/26/2023 16:30	Exports YoY	Aug	--	--	-9.10%	--
09/26/2023 16:30	Imports YoY	Aug	--	--	-7.90%	--
09/26/2023 16:30	Trade Balance HKD	Aug	--	--	-30.0b	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
09/22/2023 10:00	Bloomberg Sept. China Economic Survey					
09/27/2023 09:30	Industrial Profits YoY	Aug	--	--	-6.70%	--
09/27/2023 09:30	Industrial Profits YTD YoY	Aug	--	--	-15.50%	--
09/28/2023	BoP Current Account Balance	2Q F	--	--	\$65.3b	--

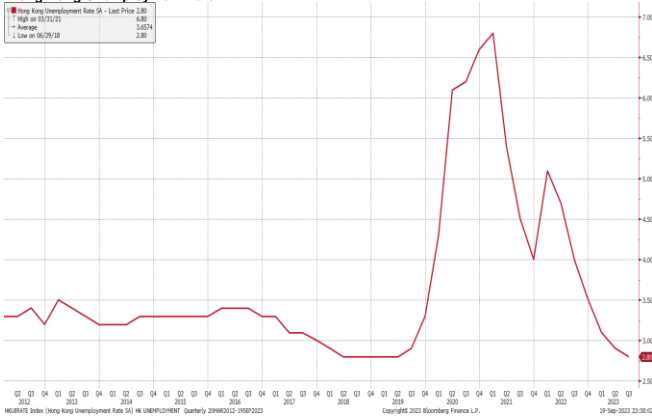
Hong Kong GDP Q on Q



Hong Kong Base Interest Rate



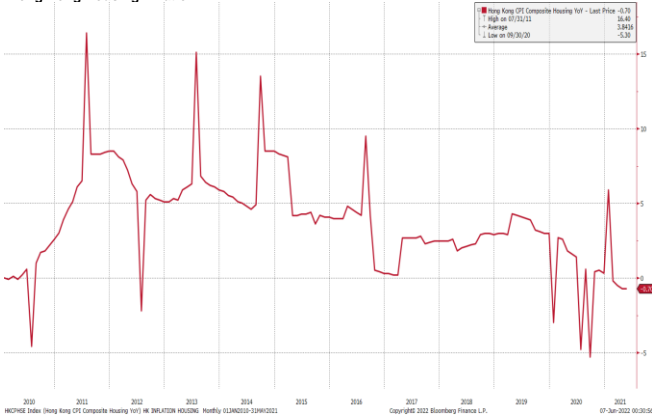
Hong Kong Unemployment Rate



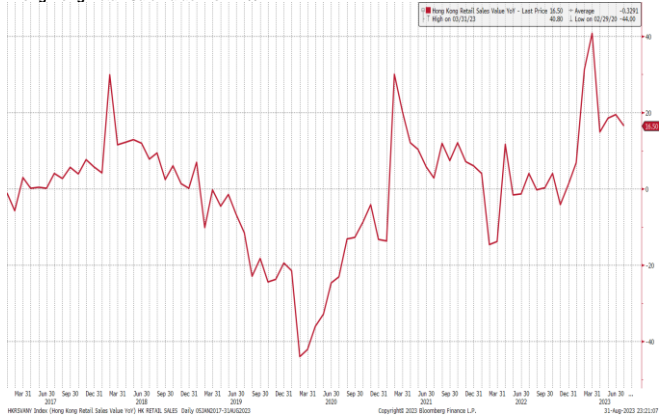
Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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