

Fundamentals:

Hong Kong stocks rose as investors picked up beaten companies as values emerged after the market slumped to a one-month low this week. Foreign funds bought more Chinese equities, helping arrest the yuan slide.

The Hang Seng Index gained 2.3 per cent to 18,057.45 at the closing of Friday trading, the most since September 4. The Tech index jumped 3.7 per cent, while the Shanghai Composite Index gained 1.6 per cent. The relative-strength indicators on both gauges in Hong Kong approached levels deemed oversold.

All but four of the 80 index members advanced. Tencent Holdings jumped 3.9 per cent to HK\$314.80. Alibaba Group advanced 4.7 per cent to HK\$36.50 and Meituan rallied 3.1 per cent to HK\$119.90. Netease surged 6.2 per cent to HK\$161.90 while EV maker BYD strengthened 3.3 per cent to HK\$248.40.

The Hang Seng Index has been on a slippery slope this month. BlackRock strategists downgraded Chinese stocks earlier this week, while a hawkish Fed pause added to the misery. China's slowdown has not been bad enough for Beijing to launch a stimulus bazooka, BCA Research said.

Today's rebound helped narrow the benchmark index's losses this week to 0.7 per cent. Foreign investors bought 7.5 billion yuan (US\$1 billion) worth of onshore-listed stocks so far on Friday, the most in seven weeks, Stock Connect data shows. They dumped about US\$15 billion of them in the preceding six weeks.

Recent data out of China, including activity, credit, export and inflation, signalled economic growth and inflation have bottomed out, according to Goldman Sachs, giving momentum to recovery in the second half. UBS this week said Chinese stocks were due for a rebound as valuations and data improved.

The yuan strengthened to 7.3007 per US dollar in recent trading in Hong Kong, versus 7.3075 on Thursday. The currency is still hovering near a 16-year low in the onshore market, after depreciating about 5 per cent this year.

Other key Asian markets were mixed after US stocks suffered the worst slump since March, in reaction to the Federal Reserve's hawkish policy pause on Wednesday. Australia's S&P/ASX 200 added 0.1 per cent. The Nikkei 225 Index in Japan dropped 0.5 per cent, while South Korea's Kospi lost 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 SEP 23	426	18097	18121	17514
H. SENG FUT OCT 23	425	18154	18178	17570
H. SENG FUT DEC 23	425	18261	18262	17680
H. SENG FUT MAR 24	426	18097	18121	17514
MINI H. SENG FUT SEP 23	426	18097	18120	17517
MINI H. SENG FUT OCT 23	425	18154	18176	17573
MINI H. SENG FUT DEC 23	425	18261	18280	17693
MINI H. SENG FUT MAR 24	426	18097	18120	17517
HSCEI FUT SEP 23	178	6280	6289	6046
HSCEI FUT OCT 23	174	6300	6312	6068
HSCEI FUT DEC 23	177	6359	6365	6141
HSCEI FUT MAR 24	178	6280	6289	6046
MINI HSCEI FUT SEP 23	178	6280	6288	6045
MINI HSCEI FUT OCT 23	174	6300	6310	6068
MINI HSCEI FUT DEC 23	177	6359	6364	6138
MINI HSCEI FUT MAR 24	178	6280	6288	6045

Major HSI Constituent Stocks	Close	Change	High	Low
*Alia Group Ltd	65.35	0.8	65.35	64.25
**Tencent Holdings Ltd	313.6	10.6	314	300.2
*HSBC Holdings PLC	61.4	0.6	61.45	60.9
**China Construction Bank Corp	4.46	0.05	4.47	4.38
**Ping An Insurance Group	47.15	1.75	47.4	45.4
**Meituan	120.8	4.5	121.5	114.8
*Hong Kong Exchanges & Clearing Ltd	296	9	296	285.2
**Alibaba Group Holdings Ltd	85.9	3.25	86.3	82.15
**Xiaomi Corp	12.06	0.38	12.1	11.52
**ICBC	3.81	0.05	3.81	3.74

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	42.65	1.9	42.95	39.8
**China Mobile Ltd	68.2	0.15	68.4	67.55
**Bank of China Ltd	2.76	0.04	2.76	2.71
*Techtronic Industries Co Ltd	79.35	1.3	79.6	77.4
*CK Hutchison Holdings Ltd	41.9	0.75	41.95	40.9
*Link REIT	38	1.2	38.05	36.65
*CLP Holding Ltd	58.7	0.35	58.75	58
**Geely Automobile Holdings Ltd	9.52	0.16	9.53	9.29
**CNOOC Ltd	13.72	0.02	13.74	13.44
**ANTA Sports Products Ltd	89.95	1.9	90.3	86.7

Global Equity Indices	Close	Change	High	Low
Hang Seng	18057.45	402.04	18078.7	17573.81
HSCEI	6262.61	163.35	6271	6064.24
Shanghai Comp Index	3132.43	47.731	3132.56	3078.801
Nikkei 225	32402.4	-168.62	32535.7	32154.53
KOSPI	2508.13	-6.84	2513.26	2486.14
S&P/ASX200	7068.84	3.603	7068.8	6957.2
DJIA	33963.8	-106.58	34156.2	33947.24
S&P 500	4320.06	-9.94	4357.4	4316.49
NASDAQ	13211.8	-12.18	13353.2	13200.64
DAX	15557.3	-14.57	15592.3	15471.75
CAC	7184.82	-0.4	7203.97	7133.65
FTSE100	7683.91	5.29	7735.16	7640.8

Technical Analysis

Mini Hang Seng

1st Resistance:	18368	2nd Resistance:	18640
1st Support:	17826	2nd Support:	17554
MACD:	-179.634		
MACD DIFF:	1.20822		
RSI:	46.8522		

Mini Hang Seng China Enterprise

1st Resistance:	6374	2nd Resistance:	6468
1st Support:	6186	2nd Support:	6092
MACD:	-47.324		
MACD DIFF:	-4.343		
RSI:	48.8203		

Strategy:

Mini Hang Seng:	Long: Profit target: 18368	Stop-loss: 17736	Long: Profit target: 17554	Stop-loss: 17466
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	Short: Profit target: 18368	Stop-loss: 18460	Short: Profit target: 18454	Stop-loss: 18733
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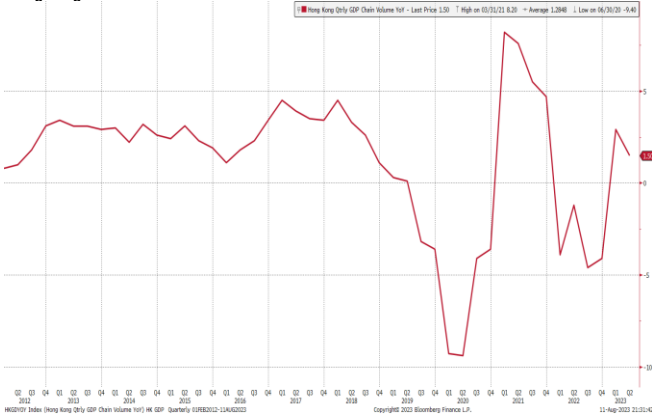
Mini Hang Seng China Enterprise:	Long: Profit target: 6186	Stop-loss: 6155	Long: Profit target: 6092	Stop-loss: 6061
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	Short: Profit target: 6374	Stop-loss: 6406	Short: Profit target: 6468	Stop-loss: 6501
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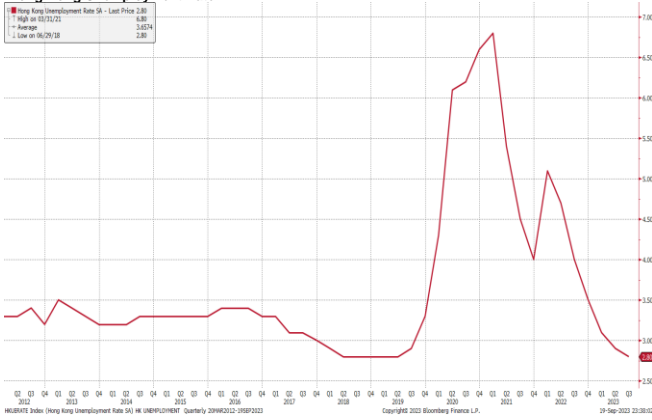
Hong Kong Economic Releases	Period	Survey	Actual	Prior	Revised
09/26/2023 16:30	Exports YoY	Aug	--	--	-9.10%
09/26/2023 16:30	Imports YoY	Aug	--	--	-7.90%
09/26/2023 16:30	Trade Balance HKD	Aug	--	--	-30.0b
09/29/2023 16:30	Retail Sales Value YoY	Aug	--	--	16.50%
09/29/2023 16:30	Retail Sales Volume YoY	Aug	--	--	14.00%
09/29/2023	Money Supply M1 HKD YoY	Aug	--	--	-20.10%
09/29/2023	Money Supply M2 HKD YoY	Aug	--	--	0.30%
09/29/2023	Money Supply M3 HKD YoY	Aug	--	--	0.30%
09/29/2023	Budget Balance HKD	Aug	--	--	-41.8b

China Economic Releases	Period	Survey	Actual	Prior	Revised
09/26/2023	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

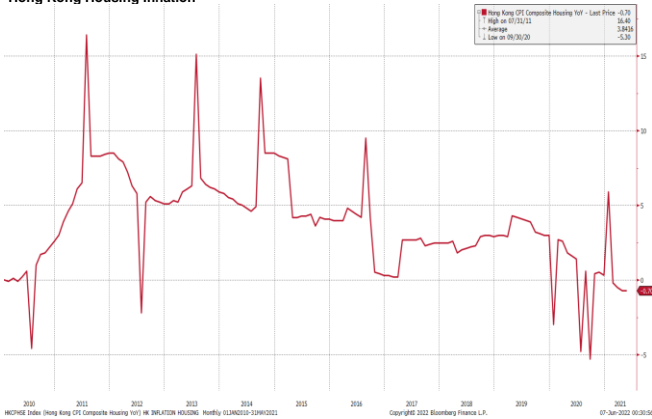
Hong Kong GDP Q on Q



Hong Kong Unemployment Rate



Hong Kong Housing Inflation



(Source: Bloomberg)

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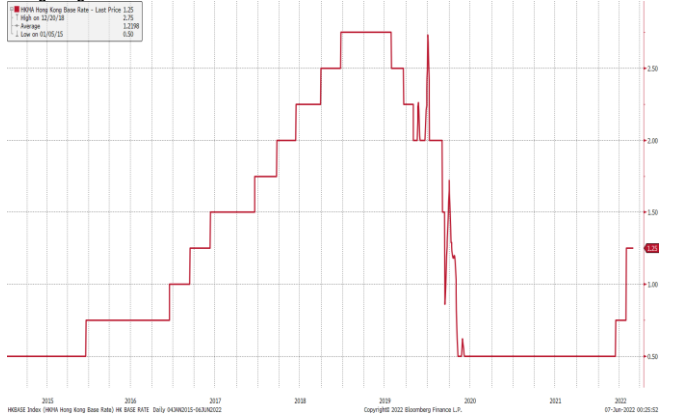
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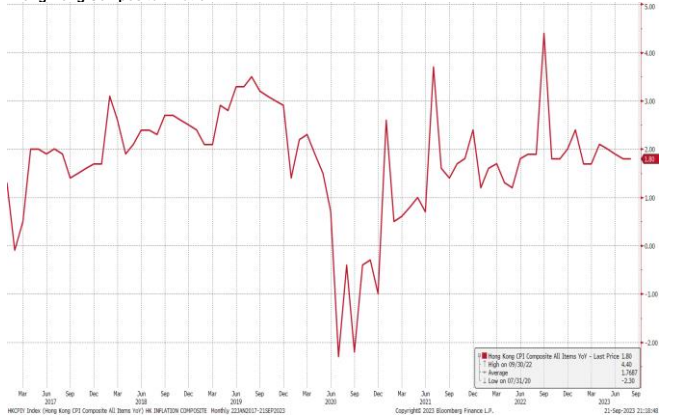
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Hong Kong Base Interest Rate



Hong Kong Composite Inflation



Hong Kong Retail Sale Value Y on Y %

