

Fundamentals:

Hong Kong stocks dropped for a second day as traders dialled back bets after a disappointing corporate earnings season. Nomura turned less bullish on the outlook for Chinese equities.

The Hang Seng Index lost less than 0.1 per cent to 18,449.98 at the close of Wednesday trading, paring an earlier skid of as much as 1.1 per cent. The Tech Index dropped 0.4 per cent while the Shanghai Composite Index gained 0.2 per cent.

Search engine operator Baidu tumbled 1.5 per cent to HK\$139.80, gaming company NetEase lost 2.1 per cent to HK\$157.50 and online travel agency Trip.com lost 0.5 per cent to HK\$302.60. Tencent Holdings weakened 0.1 per cent to HK\$328.60, and Wuxi Biologics declined 2.2 per cent to HK\$42.75.

Limiting losses, Chinese developers gained after state-media outlet Securities Times said in a front-page opinion piece that more cities should axe home purchase restrictions to spur sales. Longfor jumped 4.4 per cent to HK\$17.88, China Overseas gained 2.1 per cent to HK\$17.58 and Country Garden surged 18.8 per cent to HK\$1.20.

Some 76 per cent of onshore-listed companies cut their 2023 earnings outlook amid macro headwinds, and the market is likely to see further downward revision, Bank of America said. Similarly, Hong Kong equities also delivered soft results during the second quarter amid China's broad economic slowdown, according to Daiwa Capital Markets.

The disappointing earnings season has prompted Nomura to further pare back its expectations for Chinese equities. Japan's largest broker has reduced its year-end target for the MSCI China Index to 65 from 67. The move comes a mere three months after the last downgrade amid weak economic data and geopolitical tensions. The MSCI China Index last traded at 61.36 on Tuesday, so Nomura still expects about a 6 per cent upside for Chinese stocks by the end of 2023.

After surging 2.4 per cent last week on Beijing's supportive measures, Hong Kong stocks this week struggle to maintain the momentum as investors demand more follow-throughs. A government-appointed task force will meet for the first time this afternoon to undertake a comprehensive review of the city's stock market liquidity and search for ways to bolster the slump.

Elsewhere, Jiangxi Welgao Electronics surged 136 per cent to 68.32 yuan per share on its first day of trading in Shenzhen.

Asian markets were mixed on Wednesday. Japan's Nikkei 225 climbed 0.6 per cent while Australia's S&P/ASX 200 and South Korea's KOSPI declined by 0.7 to 0.8 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	1	18424	18532	18215
H. SENG FUT OCT 23	1	18485	18563	18300
H. SENG FUT DEC 23	-2	18596	18678	18406
H. SENG FUT MAR 24	1	18424	18532	18215
MINI H. SENG FUT SEP 23	1	18424	18533	18217
MINI H. SENG FUT OCT 23	1	18485	18595	18285
MINI H. SENG FUT DEC 23	-2	18596	18700	18400
MINI H. SENG FUT MAR 24	1	18424	18533	18217
HSCEI FUT SEP 23	16	6396	6416	6307
HSCEI FUT OCT 23	15	6419	6433	6334
HSCEI FUT DEC 23	13	6477	6483	6400
HSCEI FUT MAR 24	16	6396	6416	6307
MINI HSCEI FUT SEP 23	16	6396	6415	6308
MINI HSCEI FUT OCT 23	15	6419	6433	6333
MINI HSCEI FUT DEC 23	13	6477	6484	6390
MINI HSCEI FUT MAR 24	16	6396	6415	6308

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	68.8	-0.6	69.1	67.5
**Tencent Holdings Ltd	327.6	-1.4	329	323.2
**HSBC Holdings PLC	57.75	0.1	58.05	57.65
**China Construction Bank Corp	4.33	0.05	4.34	4.24
**Ping An Insurance Group	49.05	0.6	49.55	48
**Meituan	128.3	-0.3	129	125.2
*Hong Kong Exchanges & Clearing Ltd	312	-0.2	312.8	308
**Alibaba Group Holdings Ltd	92.25	-0.1	92.95	91.15
**Xiaomi Corp	11.76	0.16	11.8	11.32
**ICBC	3.74	0.06	3.76	3.65

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	42.8	-0.9	43.55	41.85
**China Mobile Ltd	64.9	-0.15	65.2	64.5
**Bank of China Ltd	2.71	0.03	2.71	2.67
*Techtronic Industries Co Ltd	76.9	-2.15	79.05	76.35
*CK Hutchison Holdings Ltd	41.8	0.2	42.15	41.5
*Link REIT	38.75	-0.15	39.05	38.5
*CLP Holding Ltd	59.4	-0.35	59.75	59.05
**Geely Automobile Holdings Ltd	9.82	-0.03	9.9	9.74
**CNOOC Ltd	14	0.3	14.04	13.76
**ANTA Sports Products Ltd	89.55	-0.45	90.2	87.7

Global Equity Indices	Close	Change	High	Low
Hang Seng	18449.98	-6.93	18492.6	18256.1
HSCEI	6403.7	6.94	6419.04	6322.71
Shanghai Comp Index	3158.08	3.708	3162.16	3136.9
Nikkei 225	33241	204.26	33282.2	33088.22
KOSPI	2563.34	-18.84	2585.98	2560.09
S&P/ASX200	7257.05	-57.226	7314.3	7253.2
DJIA	34443.2	-198.78	34611.7	34291.56
S&P 500	4465.48	-31.35	4490.35	4442.38
NASDAQ	13872.5	-148.48	14002	13802.42
DAX	15741.4	-30.34	15781.9	15676.51
CAC	7194.09	-0.84	7221.44	7168.84
FTSE100	7426.14	-11.79	7447.94	7369.64

Technical Analysis

Mini Hang Seng

1st Resistance:	18700	2nd Resistance:	18977
1st Support:	18148	2nd Support:	17871
MACD:	-146.759		
MACD DIFF:	69.154		
RSI:	47.5669		

Mini Hang Seng China Enterprise

1st Resistance:	6492	2nd Resistance:	6588
1st Support:	6300	2nd Support:	6204
MACD:	-26.129		
MACD DIFF:	27.003		
RSI:	50.6106		

Strategy:

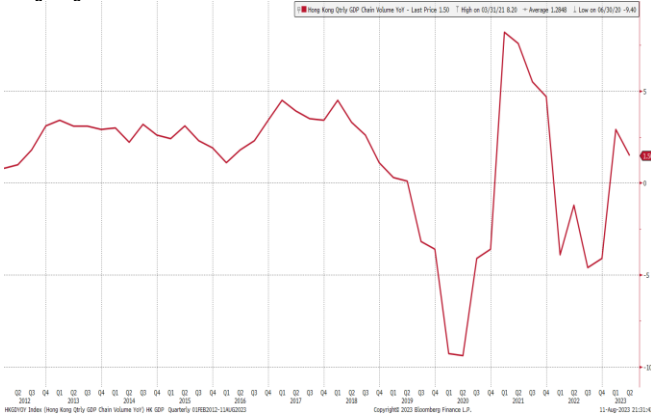
Mini Hang Seng:	Long: Profit target:	Stop-loss:	Long: Profit target:	Stop-loss:
	18148	18329	18057	17871
	Short: Profit target:	Stop-loss:	Short: Profit target:	Stop-loss:
	18700	18513	18794	18977

Mini Hang Seng China Enterprise:	Long: Profit target:	Stop-loss:	Long: Profit target:	Stop-loss:
	6300	6363	6269	6204
	Short: Profit target:	Stop-loss:	Short: Profit target:	Stop-loss:
	6492	6427	6524	6588

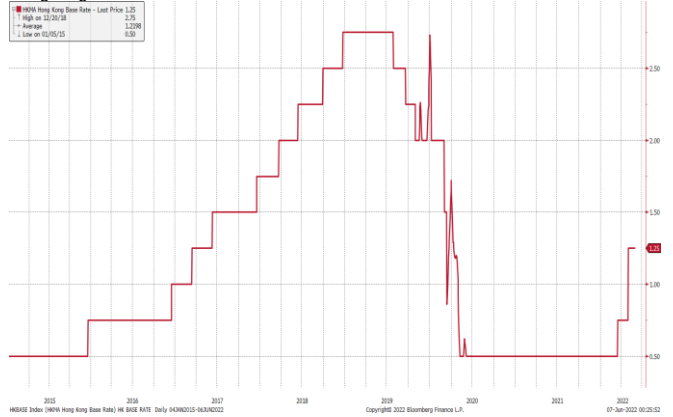
Hong Kong Economic Releases	Period	Survey	Actual	Prior	Revised
09/07/2023	Foreign Reserves	Aug	--	--	\$421.6b
09/08/2023	Bloomberg Sept. Hong Kong Economic Survey				
09/13/2023 16:30	PPI YoY	2Q	--	--	1.00%
09/13/2023 16:30	Industrial Production YoY	2Q	--	--	3.90%

China Economic Releases	Period	Survey	Actual	Prior	Revised
09/07/2023	Foreign Reserves	Aug	\$3184.00b	--	\$3204.27b
09/07/2023	Exports YoY	Aug	-9.00%	--	-14.50%
09/07/2023	Imports YoY	Aug	-9.00%	--	-12.40%
09/07/2023	Trade Balance	Aug	\$73.90b	--	\$80.60b
09/07/2023	Exports YoY CNY	Aug	--	--	-9.20%
09/07/2023	Imports YoY CNY	Aug	--	--	-9.90%
09/07/2023	Trade Balance CNY	Aug	--	--	575.70b
09/09/2023 09:30	CPI YoY	Aug	0.20%	--	-0.30%
09/09/2023 09:30	PPI YoY	Aug	-3.00%	--	-4.40%
09/09/2023 09:15	Money Supply M2 YoY	Aug	10.70%	--	10.70%
09/09/2023 09:15	Money Supply M1 YoY	Aug	2.40%	--	2.30%
09/09/2023 09:15	Money Supply M0 YoY	Aug	--	--	9.90%
09/09/2023 09:15	New Yuan Loans CNY	Aug	1200.0b	--	345.9b
09/11/2023 09:18	FDI YTD YoY CNY	Aug	--	--	-4.00%
09/11/2023 09:15	Aggregate Financing CNY	Aug	2420.0b	--	528.2b

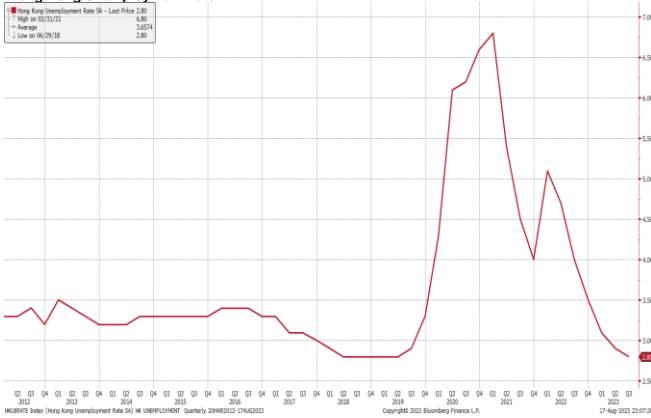
Hong Kong GDP Q on Q



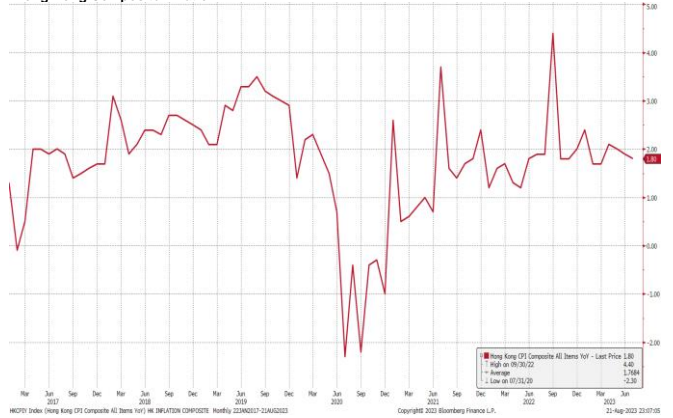
Hong Kong Base Interest Rate



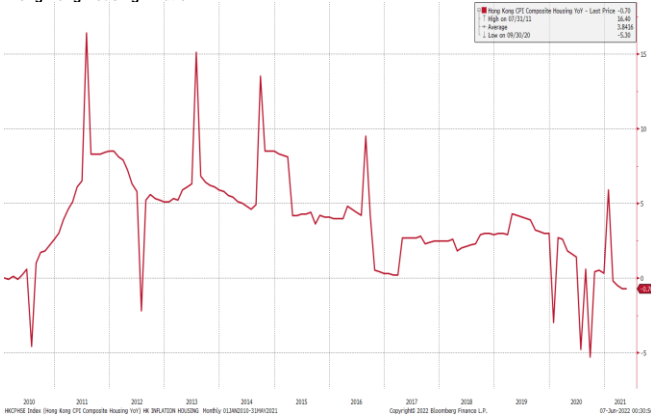
Hong Kong Unemployment Rate



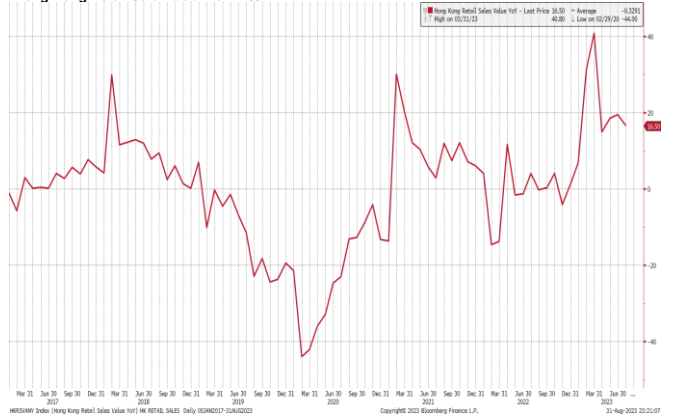
Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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