

**Fundamentals:**

Hong Kong stocks advanced to near a two-week high on speculation mainland Chinese funds are snapping up undervalued stocks in the city as they returned from a one-week holiday. Risk appetite improved as some Federal Reserve officials turned less hawkish following a recent surge in Treasury yields.

The Hang Seng Index jumped 0.8 per cent to 17,664.73 at the close of Tuesday trading, the highest level since September 29. The Tech Index rose 1.3 per cent, while the Shanghai Composite Index slipped 0.7 per cent.

Alibaba Group strengthened 1.6 per cent to HK\$83.40 while rival JD.com surged 1.4 per cent to HK\$115.40 and Meituan jumped 3.1 per cent to HK\$112.30. New World Development gained 0.9 per cent to HK\$15.10, while Henderson Land jumped 2.2 per cent to HK\$20.75 amid bets on market-easing measures.

Funds from mainland China bought HK\$6.2 billion (US\$790 million) worth of H shares on Tuesday, adding to the HK\$2 billion net buy in typhoon-interrupted trading on Monday, according to Stock Connect data. They bought US\$18.6 billion worth of Hong Kong-listed shares in the third quarter, or triple the amount in the preceding three months, according to Goldman Sachs.

More funds are predicting better returns on Chinese stocks in the months ahead, according to investors including Matthews International and Value Partners. China's economic recovery gathered momentum last month, while tensions in US-China ties are set to ease following efforts to step up meetings among top officials.

Meanwhile, investors are hoping for another rate pause in November, after the Fed's vice-chair Philip Jefferson said he would "remain cognisant of the tightening in financial conditions through higher bond yields". The odds of a November rate hike dropped to 11.5 per cent from 27.2 per cent a week ago, according to CME Group, based on futures contracts on Fed fund rate.

Country Garden Holdings slid 10.7 per cent to HK\$0.75 after it warned it might not be able to repay its offshore debts and signalled a need for a restructuring, according to a stock exchange filing on Tuesday. The firm hired financial and legal advisers to reassess its liquidity situation.

Country Garden Services slumped 4.5 per cent to HK\$7.25. Longfor Group fell 1 per cent to HK\$12.98.

Elsewhere, Gstarsoft slumped 14 per cent to 88.89 yuan from its IPO price as the stock began trading for the first time in Shanghai.

Major Asian markets strengthened after Jefferson's comments. Australia's S&P/ASX 200 added 1 per cent, while the Nikkei 225 Index in Japan surged 2.2 per cent. South Korea's Kospi was little changed.

(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 OCT 23	306	17876	17975	17496
H. SENG FUT NOV 23	306	17899	17989	17520
H. SENG FUT DEC 23	309	17972	18056	17591
H. SENG FUT MAR 24	306	17876	17975	17496
MINI H. SENG FUT OCT 23	306	17876	17975	17497
MINI H. SENG FUT NOV 23	306	17899	17995	17523
MINI H. SENG FUT DEC 23	309	17972	18066	17601
MINI H. SENG FUT MAR 24	306	17876	17975	17497
HSCEI FUT OCT 23	114	6131	6166	5987
HSCEI FUT NOV 23	111	6150	6185	6010
HSCEI FUT DEC 23	116	6183	6206	6055
HSCEI FUT MAR 24	114	6131	6166	5987
MINI HSCEI FUT OCT 23	114	6131	6166	5987
MINI HSCEI FUT NOV 23	111	6150	6187	6014
MINI HSCEI FUT DEC 23	116	6183	6208	6064
MINI HSCEI FUT MAR 24	114	6131	6166	5987

Major HSI Constituent Stocks	Close	Change	High	Low
*Alia Group Ltd	67.3	0.05	68.45	67.3
**Tencent Holdings Ltd	308.2	1.2	314.8	306
*HSBC Holdings PLC	62.2	0.2	62.8	61.75
**China Construction Bank Corp	4.41	0.04	4.47	4.41
**Ping An Insurance Group	43.85	0.35	44.9	43.7
**Meituan	112.3	3.4	115.2	111
*Hong Kong Exchanges & Clearing Ltd	289.4	0.6	294.8	288
**Alibaba Group Holdings Ltd	83.4	1.3	85.3	83.25
**Xiaomi Corp	12.28	0.34	12.38	12.06
**ICBC	3.71	0.03	3.78	3.7

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	44.75	-0.15	45.95	44.5
**China Mobile Ltd	65	-0.15	66.4	64.6
**Bank of China Ltd	2.73	0	2.77	2.72
*Techtronic Industries Co Ltd	74.55	1.45	76.1	74.3
*CK Hutchison Holdings Ltd	41.05	0.25	41.65	40.85
*Link REIT	37.5	0.6	37.95	37.15
*CLP Holding Ltd	56.6	-0.15	57.75	56.45
**Geely Automobile Holdings Ltd	9.04	0.07	9.18	9
**CNOOC Ltd	13.52	0.12	13.76	13.44
**ANTA Sports Products Ltd	85.8	0.5	87.95	85.35

Global Equity Indices	Close	Change	High	Low
Hang Seng	17664.73	147.33	17916.6	17638.01
HSCEI	6052.51	54.21	6144.85	6040.99
Shanghai Comp Index	3075.24	-21.686	3109.98	3073.186
Nikkei 225	31746.5	751.86	31818.3	31314.67
KOSPI	2402.58	-6.15	2448.24	2402.44
S&P/ASX200	7040.64	70.479	7058.4	6970.2
DJIA	33739.3	134.65	33898.2	33604.32
S&P 500	4358.24	22.58	4385.46	4339.64
NASDAQ	13562.8	78.6	13659.6	13491.81
DAX	15423.5	295.41	15443.5	15272.57
CAC	7162.43	2.01	7170.32	7085.13
FTSE100	7628.21	136	7637.41	7492.21

**Technical Analysis**

**Mini Hang Seng**

1st Resistance:	18144	2nd Resistance:	18412
1st Support:	17608	2nd Support:	17340
MACD:	-193.178		
MACD DIFF:	30.0167		
RSI:	50.5531		

**Mini Hang Seng China Enterprise**

1st Resistance:	6223	2nd Resistance:	6315
1st Support:	6039	2nd Support:	5947
MACD:	-78.960		
MACD DIFF:	2.357		
RSI:	49.2523		

**Strategy:**

**Mini Hang Seng:**

Long: Profit target:	17608	17784	17520	Long: Profit target:	17340	17513	17253
Stop-loss:				Stop-loss:			
Short: Profit target:	18144	17963	18235	Short: Profit target:	18412	18228	18504
Stop-loss:				Stop-loss:			

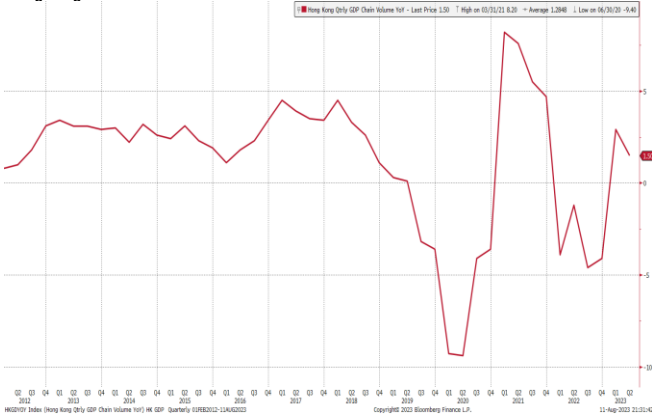
**Mini Hang Seng China Enterprise:**

Long: Profit target:	6039	6099	6009	Long: Profit target:	5947	6007	5917
Stop-loss:				Stop-loss:			
Short: Profit target:	6223	6161	6254	Short: Profit target:	6315	6252	6347
Stop-loss:				Stop-loss:			

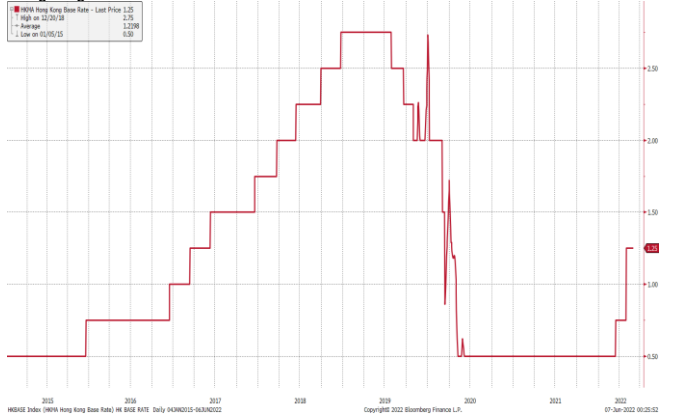
**Hong Kong Economic Releases**      Period   Survey   Actual   Prior   Revised

China Economic Releases		Period	Survey	Actual	Prior	Revised
10/10/2023	10/15	Aggregate Financing CNY	Sep	3700.0b	--	3120.0b
10/11/2023	10/18	FDI YTD YoY CNY	Sep	--	--	-5.10%
10/10/2023	10/15	Money Supply M2 YoY	Sep	10.60%	--	10.60%
10/10/2023	10/15	Money Supply M0 YoY	Sep	--	--	9.50%
10/10/2023	10/15	New Yuan Loans CNY	Sep	2500.0b	--	1360.0b
10/10/2023	10/15	Money Supply M1 YoY	Sep	2.40%	--	2.20%
10/13/2023	09:30	CPI YoY	Sep	0.20%	--	0.10%
10/13/2023	09:30	PPI YoY	Sep	-2.40%	--	-3.00%
10/13/2023		Trade Balance	Sep	\$71.00b	--	\$68.36b
10/13/2023		Exports YoY	Sep	-7.90%	--	-8.80%
10/13/2023		Imports YoY	Sep	-6.00%	--	-7.30%
10/13/2023		Exports YoY CNY	Sep	--	--	-3.20%
10/13/2023		Imports YoY CNY	Sep	--	--	-1.60%
10/13/2023		Trade Balance CNY	Sep	--	--	488.00b
10/16/2023	09:20	1-Yr Medium-Term Lending Facility Ra	Oct-15	2.50%	--	2.50%
10/16/2023	09:20	1-Yr Medium-Term Lending Facilities v	Oct-15	545.0b	--	591.0b

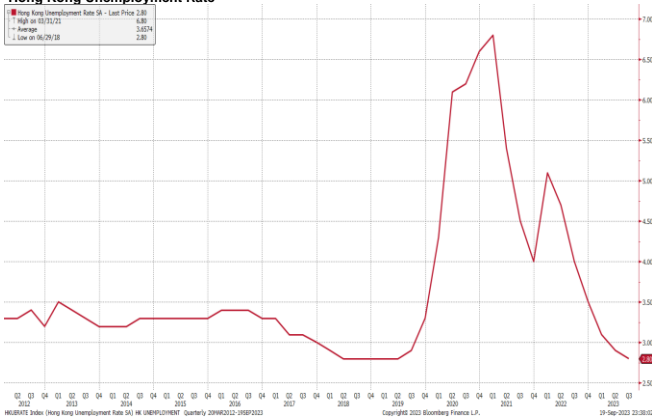
**Hong Kong GDP Q on Q**



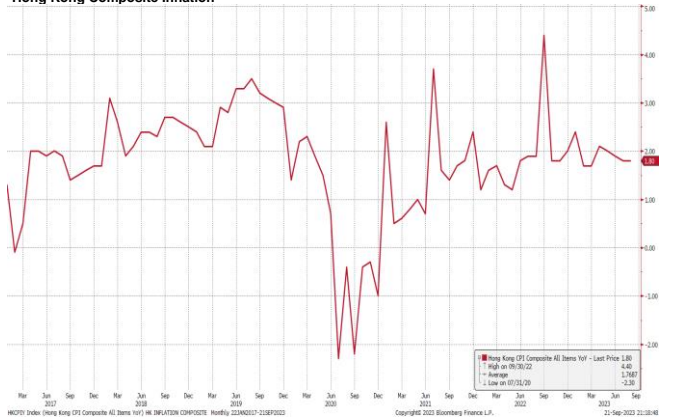
**Hong Kong Base Interest Rate**



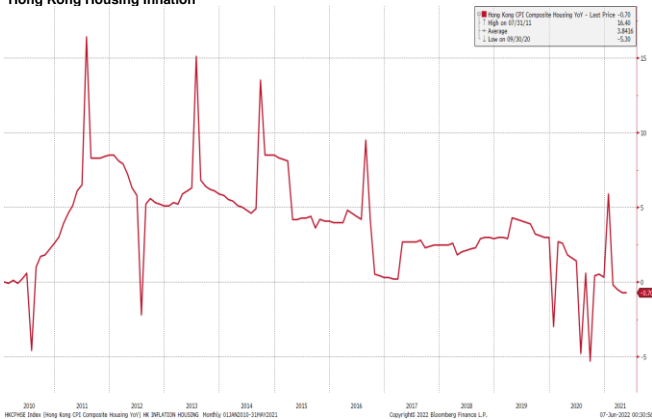
**Hong Kong Unemployment Rate**



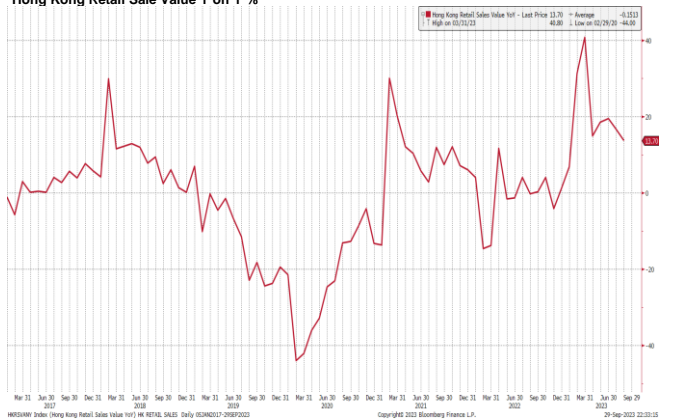
**Hong Kong Composite Inflation**



**Hong Kong Housing Inflation**



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



(Source: Bloomberg)

Kenanga Futures Sdn Bhd (353603-X)

Dealing Desk: (603) 2172 3820 Fax: (603) 2172 2729 Email: futures@kenanga.com.my

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