

**Fundamentals:**

Hong Kong stocks slid after traders returned from a long weekend, as rising US Treasury yields hurt sentiment. The crisis embroiling debt-ridden developer China Evergrande remained in focus.

The Hang Seng Index fell 2.7 per cent to 17,331.22 on Tuesday, giving up all of its gains from Friday, to trade near an 11-month low. The Hang Seng Tech Index dropped 2.6 per cent. Markets in mainland China are closed this week for the 10-day long "golden week" holiday.

Tencent Holdings slid 1.8 per cent to HK\$300.60, Alibaba Group lost 2.9 per cent to HK\$83.10 and e-commerce platform JD.com retreated 3.2 per cent to HK\$111.40. Local property company New World Development sank 5.2 per cent to HK\$14.44, Henderson Land dropped 5.1 per cent to HK\$19.60 while Sun Hung Kai Properties lost 3 per cent to HK\$81.30.

Troubled property developer China Evergrande soared as much as 42 per cent to 46 Hong Kong cents per share as it resumed trading on Tuesday, before falling back to close up 15.6 per cent at 37 Hong Kong cents. Trading in the company's shares was halted last week after its billionaire founder was put under police control on suspicion of committing undisclosed crimes.

Rising borrowing costs continued to weigh on sentiment. The yield on the 10-year US Treasury, a benchmark for corporate bonds, rose to 4.699 per cent during Asian trading hours to hit the highest level since 2007, while the US dollar index rose to its highest level since November.

Still there were analysts who felt the surge in US Treasury yields was unlikely to be sustained amid a looming economic slowdown.

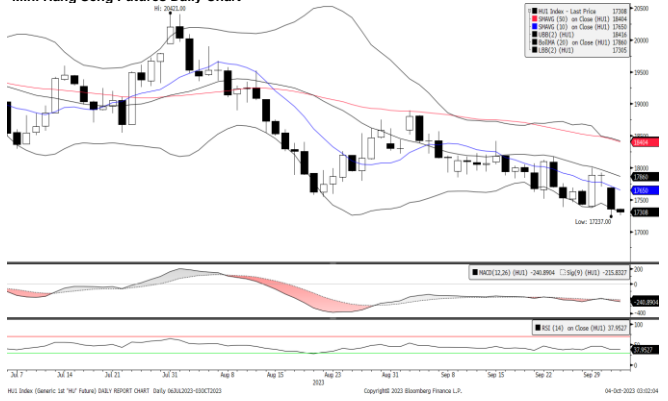
The Hang Seng Index has tumbled 5.9 per cent over the past three months, on the back of a 7.3 per cent loss in the second quarter. Overseas investors have sold a record US\$17.5 billion worth of A shares - yuan-denominated shares of Chinese companies traded in domestic markets - in the past two months, trimming the net inflow this year to US\$16.2 billion.

The exposure to China of global funds is now at a decade-low, according to Goldman Sachs.

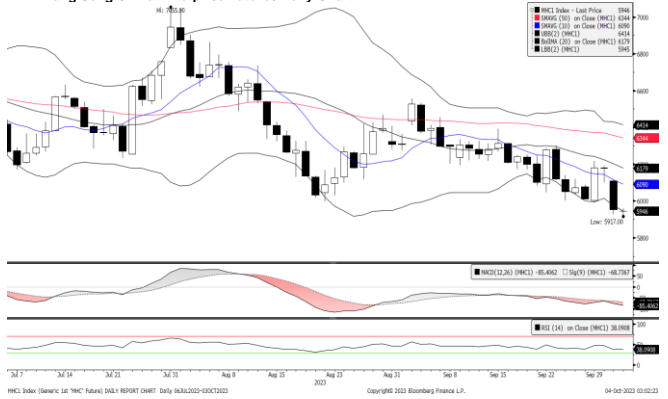
Other key Asian markets were mixed. Australia's S&P/ASX 200 lost 1.3 per cent and the Nikkei 225 Index in Japan dropped 1.6 per cent. South Korea's Kospi edged up 0.1 per cent.

(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 OCT 23	-536	17353	17690	17237
H. SENG FUT NOV 23	-542	17371	17703	17262
H. SENG FUT DEC 23	-546	17444	17768	17345
H. SENG FUT MAR 24	-536	17353	17690	17237
MINI H. SENG FUT OCT 23	-536	17353	17693	17237
MINI H. SENG FUT NOV 23	-542	17371	17698	17262
MINI H. SENG FUT DEC 23	-546	17444	17888	17332
MINI H. SENG FUT MAR 24	-536	17353	17693	17237
HSCEI FUT OCT 23	-227	5954	6113	5927
HSCEI FUT NOV 23	-232	5972	6129	5958
HSCEI FUT DEC 23	-228	6005	6157	5985
HSCEI FUT MAR 24	-227	5954	6113	5927
MINI HSCEI FUT OCT 23	-227	5954	6114	5926
MINI HSCEI FUT NOV 23	-232	5972	6108	5951
MINI HSCEI FUT DEC 23	-228	6005	6154	5980
MINI HSCEI FUT MAR 24	-227	5954	6114	5926

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	64.4	0.55	64.6	63
**Tencent Holdings Ltd	300.6	-5.6	302	296.4
**HSBC Holdings PLC	60.9	-0.8	60.9	59.95
**China Construction Bank Corp	4.24	-0.18	4.38	4.23
**Ping An Insurance Group	42.7	-2.15	43.9	42.1
**Meituan	110	-4.6	111.9	107.6
*Hong Kong Exchanges & Clearing Ltd	285.8	-6.8	287	284
**Alibaba Group Holdings Ltd	83.1	-2.5	84.25	82.35
**Xiaomi Corp	11.98	-0.36	12.18	11.9
**ICBC	3.59	-0.18	3.73	3.57

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	44.45	-1.2	45.2	43.8
**China Mobile Ltd	64.55	-1.15	65.4	64.15
**Bank of China Ltd	2.66	-0.08	2.74	2.66
*Techtronic Industries Co Ltd	75.35	-0.65	75.85	74.45
*CK Hutchison Holdings Ltd	40.35	-1.55	41.8	40.1
*Link REIT	36.15	-2.25	38	36
*CLP Holding Ltd	57.3	-0.65	57.95	56.95
**Geely Automobile Holdings Ltd	9.01	-0.23	9.1	8.86
**CNOOC Ltd	13.36	-0.42	13.68	13.3
**ANTA Sports Products Ltd	85.3	-2.85	86.15	84.65

Global Equity Indices	Close	Change	High	Low
Hang Seng	17331.22	-478.44	17546.4	17212.87
HSCEI	5949.18	-199.15	6054.68	5915.03
Shanghai Comp Index	0	0	0	0
Nikkei 225	31237.9	-521.94	31608	31157.4
KOSPI	0	0	0	0
S&P/ASX200	6943.41	-89.792	7033.2	6908.3
DJIA	33002.4	-430.97	33398.5	32916.2
S&P 500	4229.45	-58.94	4281.15	4216.45
NASDAQ	13059.5	-248.3	13280	13008.6
DAX	15085.2	-162	15257.9	15074.85
CAC	6997.05	-1.01	7075.49	6989.77
FTSE100	7470.16	-40.56	7545.67	7466.62

**Technical Analysis**

**Mini Hang Seng**

1st Resistance:	17613	2nd Resistance:	17874
1st Support:	17093	2nd Support:	16832
MACD:	-221.390		
MACD DIFF:	-11.7375		
RSI:	38.5606		

**Mini Hang Seng China Enterprise**

1st Resistance:	6043	2nd Resistance:	6133
1st Support:	5865	2nd Support:	5775
MACD:	-76.269		
MACD DIFF:	-11.661		
RSI:	38.3623		

**Strategy:**

<b>Mini Hang Seng:</b>	Long: Profit target: 17093	Stop-loss: 17264	17007	Long: Profit target: 16832	Stop-loss: 17001	16748
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	Short: Profit target: 17613	Stop-loss: 17437	17701	Short: Profit target: 17874	Stop-loss: 17695	17963
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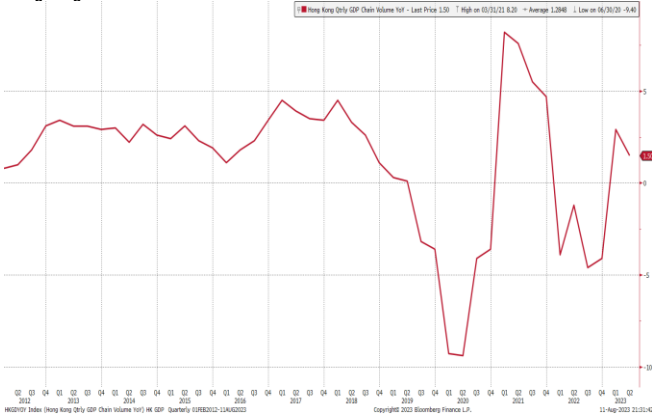
<b>Mini Hang Seng China Enterprise:</b>	Long: Profit target: 5865	Stop-loss: 5923	5835	Long: Profit target: 5775	Stop-loss: 5833	5747
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	Short: Profit target: 6043	Stop-loss: 5983	6074	Short: Profit target: 6133	Stop-loss: 6071	6163
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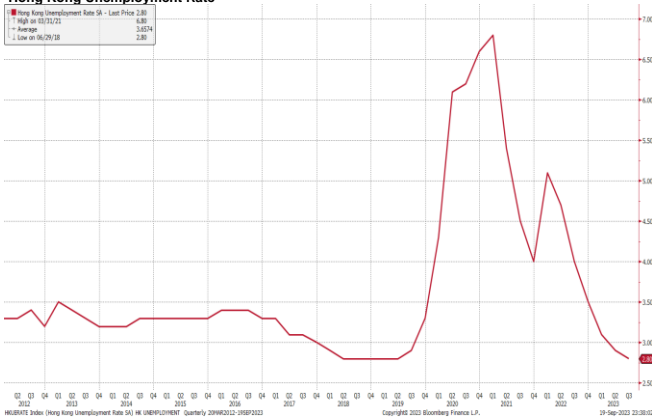
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
10/05/2023 08:30	S&P Global Hong Kong PMI	Sep	--	--	49.8	--
10/06/2023	Foreign Reserves	Sep	--	--	\$418.4b	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
10/07/2023	Foreign Reserves	Sep	\$3130.00b	--	\$3160.10b	--
10/09/2023 10/15	Aggregate Financing CNY	Sep	--	--	3120.0b	3123.7b
10/09/2023 10/15	New Yuan Loans CNY	Sep	--	--	1360.0b	1358.0b
10/09/2023 10/15	Money Supply M2 YoY	Sep	--	--	10.60%	--
10/09/2023 10/15	Money Supply M1 YoY	Sep	--	--	2.20%	--
10/09/2023 10/15	Money Supply M0 YoY	Sep	--	--	9.50%	--

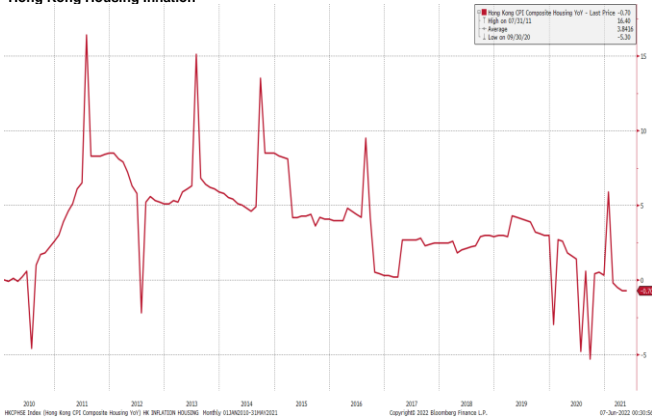
### Hong Kong GDP Q on Q



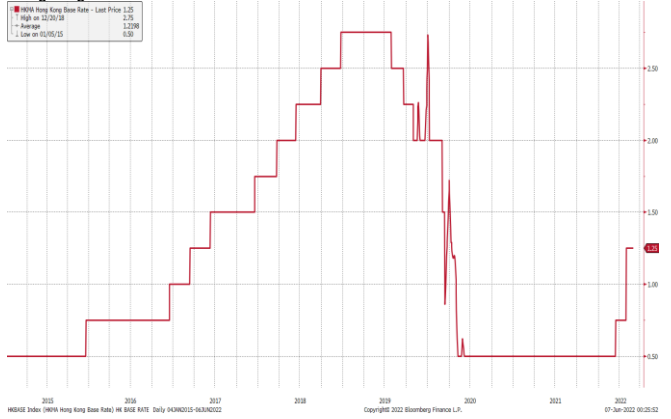
### Hong Kong Unemployment Rate



### Hong Kong Housing Inflation



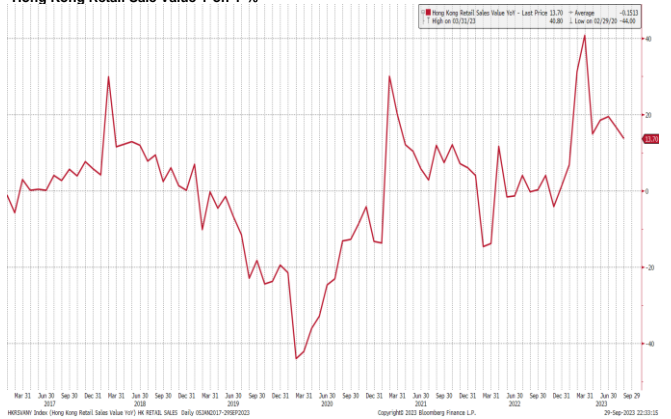
### Hong Kong Base Interest Rate



### Hong Kong Composite 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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