

Fundamentals:

Hong Kong stocks climbed for a second day as China's economic recovery gained momentum as manufacturing expanded, fanning optimism the government will enhance the rebound with more policy stimulus.

The Hang Seng Index gained 1.6 per cent to 17,485.98 on Friday, trimming the decline this week to about 1.8 per cent. All but five of the 80 index members advanced. The 30-member Tech Index rose 1.7 per cent to narrow the weekly loss to 2.5 per cent.

Tencent Holdings rose 1.3 per cent to HK\$303.80, Baidu surged 1.8 per cent to HK\$127.30 and AIA Group jumped 2.5 per cent to HK\$67.60. Meituan rallied 2.6 per cent to HK\$108.70 on speculation demand for its services ballooned during the golden week holiday.

Hang Lung Properties surged 2.5 per cent to HK\$10.74 and Henderson Land advanced 1.5 per cent to HK\$20.50, pacing winners among the city's biggest developers, on speculation the government will ease measures as soon as this month to help revive home sales and prices.

About HK\$60 billion (US\$7.7 billion) worth of stocks changed hands per day this week on average, or half the average over the past 12 months, according to Bloomberg data, as financial markets in mainland China closed for the "golden week" national holiday.

Economic reports over the past two weeks showed the slowdown in China's economic activity is ending. Exports have stabilised while headline inflation accelerated and an official manufacturing index rose above 50 in September.

Buyers returned after a five-week losing streak made some of the market leaders including JD.com and Galaxy Entertainment attractive based on technical indicators. Before today, the 6.4 per cent loss since late-August has erased some US\$192 billion of capitalisation from the broader market in Hong Kong.

Property stocks grabbed attention as John Lee Ka-chiu, the city's chief executive, prepares to deliver his annual policy address later this month. Financial Secretary Paul Chan Mo-po had earlier hinted that some control measures to damp property speculation in 2009 were no longer suitable to current market conditions.

Distressed mainland Chinese developers also rose after Sunac China won court consent on Thursday to implement its US\$10.2 billion debt restructuring plan with offshore creditors. Sunac rose 11 per cent to HK\$2.41, while Country Garden gained 3.5 per cent to HK\$0.90.

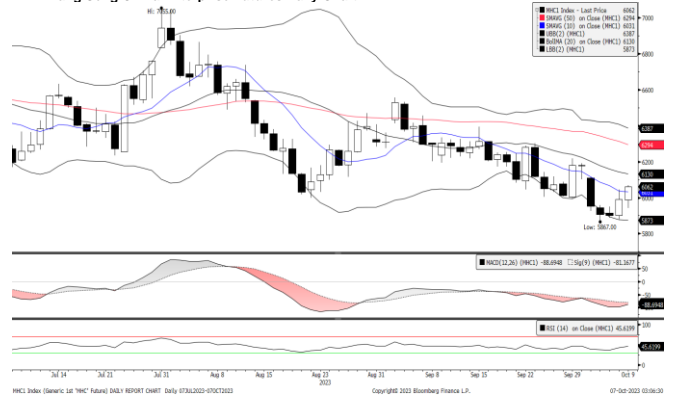
Asian markets were mixed. Japan's Nikkei 225 lost 0.3 per cent while the Kospi Index in South Korea added 0.2 per cent and the S&P ASX 200 Index in Australia gained 0.4 per cent.

(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	276	17532	17662	17177
H. SENG FUT NOV 23	274	17553	17662	17200
H. SENG FUT DEC 23	276	17625	17750	17269
H. SENG FUT MAR 24	276	17532	17662	17177
MINI H. SENG FUT OCT 23	276	17532	17662	17184
MINI H. SENG FUT NOV 23	274	17553	17677	17205
MINI H. SENG FUT DEC 23	276	17625	17745	17278
MINI H. SENG FUT MAR 24	276	17532	17662	17184
HSCEI FUT OCT 23	91	5992	6046	5879
HSCEI FUT NOV 23	90	6014	6058	5910
HSCEI FUT DEC 23	87	6040	6092	5951
HSCEI FUT MAR 24	91	5992	6046	5879
MINI HSCEI FUT OCT 23	91	5992	6046	5880
MINI HSCEI FUT NOV 23	90	6014	6065	5903
MINI HSCEI FUT DEC 23	87	6040	6092	5941
MINI HSCEI FUT MAR 24	91	5992	6046	5880

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	67.5	1.55	67.85	66.85
**Tencent Holdings Ltd	305.2	5.4	307.4	301.8
*HSBC Holdings PLC	62.05	1.1	62.2	61.55
**China Construction Bank Corp	4.36	0.09	4.42	4.3
**Ping An Insurance Group	43	0.7	43.45	42.5
**Meituan	108.3	2.4	109.5	107.3
*Hong Kong Exchanges & Clearing Ltd	288.6	3	292.6	287.2
**Alibaba Group Holdings Ltd	82.9	1.55	83.35	82
**Xiaomi Corp	11.88	0.2	11.98	11.7
**ICBC	3.66	0.06	3.71	3.64

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	43.7	0.8	43.95	42.6
**China Mobile Ltd	64.75	0.5	65.1	64.35
**Bank of China Ltd	2.73	0.06	2.76	2.7
*Techtronic Industries Co Ltd	73.5	1.05	74.35	72.8
*CK Hutchison Holdings Ltd	40.95	0.45	41.45	40.6
*Link REIT	37.2	0.55	37.45	36.85
*CLP Holding Ltd	57.3	0.85	57.4	56.45
**Geely Automobile Holdings Ltd	8.91	0.05	9.04	8.89
**CNOOC Ltd	13.1	-0.02	13.18	13
**ANTA Sports Products Ltd	83.45	-0.2	85.2	83.15

Global Equity Indices	Close	Change	High	Low
Hang Seng	17485.98	272.11	17603.8	17370.03
HSCEI	5974.3	86.32	6023.54	5936.39
Shanghai Comp Index	0	0	0	0
Nikkei 225	30994.7	-80.69	31160.5	30928.16
KOSPI	2408.73	5.13	2421.18	2403.92
S&P/ASX200	6954.17	28.68	6972.9	6922.6
DJIA	33407.6	288.01	33557.7	32846.94
S&P 500	4308.5	50.31	4324.1	4219.55
NASDAQ	13431.3	211.51	13472.3	13099.03
DAX	15229.8	159.55	15230.9	15033.55
CAC	7060.15	0.88	7064.44	6981.49
FTSE100	7494.58	43.04	7496.42	7423.36

Technical Analysis

Mini Hang Seng

1st Resistance:	17795	2nd Resistance:	18058
1st Support:	17269	2nd Support:	17006
MACD:	-248.425		
MACD DIFF:	-18.2072		
RSI:	43.5256		

Mini Hang Seng China Enterprise

1st Resistance:	6082	2nd Resistance:	6172
1st Support:	5902	2nd Support:	5812
MACD:	-96.373		
MACD DIFF:	-17.065		
RSI:	41.8721		

Strategy:

Mini Hang Seng:	Long: Profit target: 17269	Stop-loss: 17442	17183	Long: Profit target: 17006	Stop-loss: 17176	16921
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	Short: Profit target: 17795	Stop-loss: 17617	17884	Short: Profit target: 18058	Stop-loss: 17877	18148
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Mini Hang Seng China Enterprise:	Long: Profit target: 5902	Stop-loss: 5961	5873	Long: Profit target: 5812	Stop-loss: 5870	5783
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	Short: Profit target: 6082	Stop-loss: 6021	6112	Short: Profit target: 6172	Stop-loss: 6110	6203
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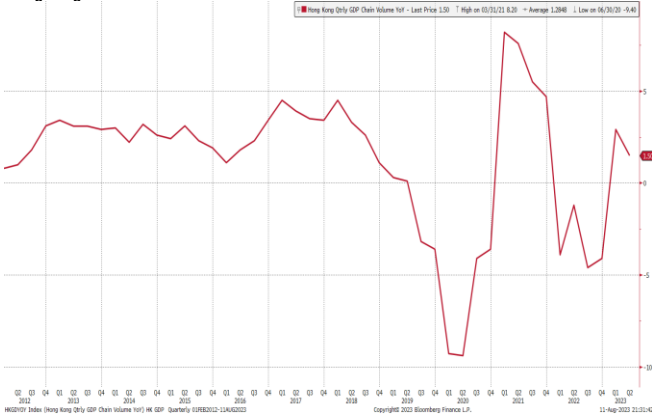
Hong Kong Economic Releases **Period** **Survey** **Actual** **Prior** **Revised**

10/06/2023	Foreign Reserves	Sep	--	\$415.7b	\$418.4b	--
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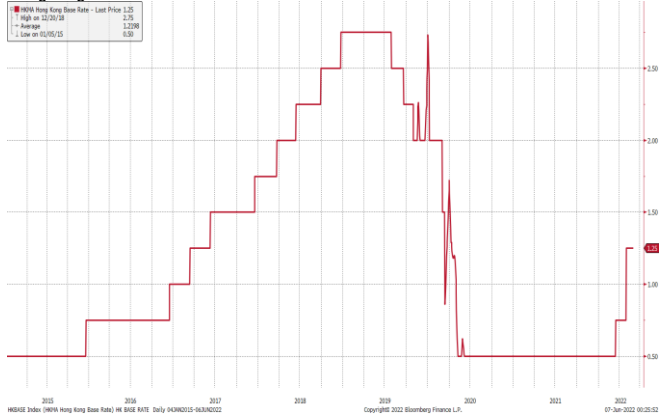
China Economic Releases **Period** **Survey** **Actual** **Prior** **Revised**

10/07/2023	Foreign Reserves	Sep	\$3125.00b	--	\$3160.10b	--
10/09/2023 10/15	Aggregate Financing CNY	Sep	3800.0b	--	3120.0b	3123.7b
10/09/2023 10/15	New Yuan Loans CNY	Sep	2500.0b	--	1360.0b	1358.0b
10/09/2023 10/15	Money Supply M2 YoY	Sep	10.70%	--	10.60%	--
10/09/2023 10/15	Money Supply M1 YoY	Sep	2.40%	--	2.20%	--
10/09/2023 10/15	Money Supply M0 YoY	Sep	--	--	9.50%	--
10/11/2023 10/18	FDI YTD YoY CNY	Sep	--	--	-5.10%	--
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	\$73.70b	--	\$68.36b	\$68.20b
10/13/2023	Exports YoY	Sep	-7.50%	--	-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	--

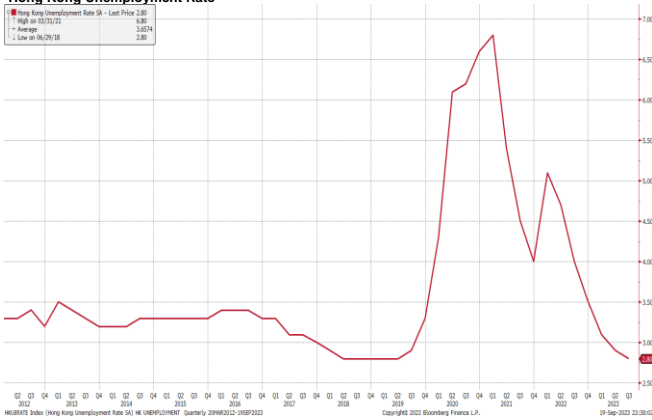
Hong Kong GDP Q on Q



Hong Kong Base Interest Rate



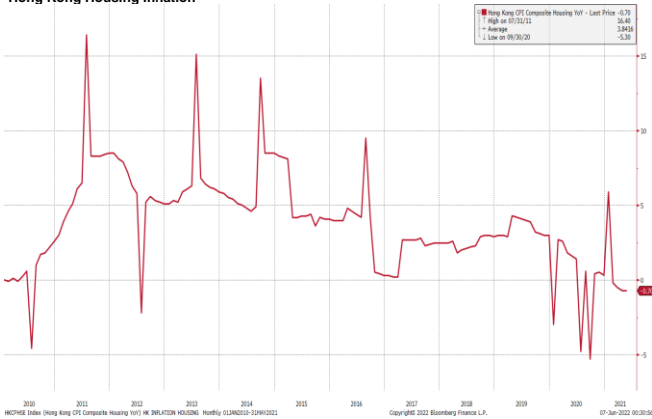
Hong Kong Unemployment Rate



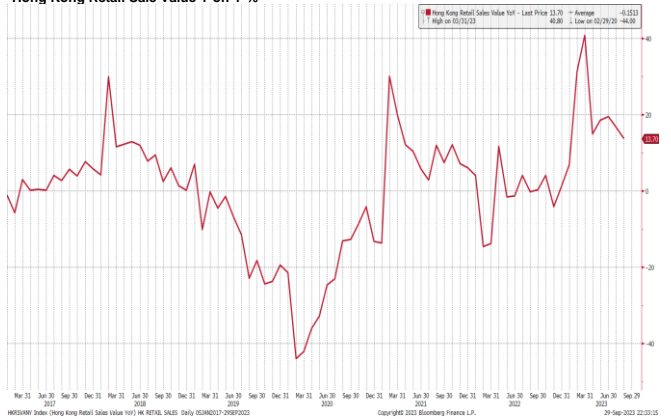
Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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