

Fundamentals:

Hong Kong stocks slumped, capping a third straight month of losses, after a government report showed Chinese manufacturing unexpectedly shrank in October. BYD tumbled on concerns China's top EV maker may not be able to sustain its record profits.

The Hang Seng Index retreated 1.7 per cent to 17,112.48 on Tuesday, the biggest drop in almost two weeks. The city's stock benchmark lost 3.9 per cent in October, brining the cumulative decline to 14.8 per cent since end-July. The Tech Index fell 2.5 per cent, while the Shanghai Composite Index was little changed.

Alibaba Group declined 2.2 per cent to HK\$80.05 while e-commerce peer JD.com fell 1.3 per cent to HK\$99.95. Baidu slumped 3.9 per cent to HK\$102.90, and Meituan weakened 2.7 per cent to HK\$110.90. HSBC tumbled 1.6 per cent to HK\$56.30, while online travel operator Trip.com slipped 3.9 per cent to HK\$268.80.

Factory activity in mainland China contracted this month, with the official PMI manufacturing index dropping to 49.5 from 50.2 in September, the statistics bureau in Beijing said on Tuesday, versus market consensus of 50.2. The non-manufacturing gauge fell to 50.6 from 51.7 in September. A reading below 50 indicates contraction.

The struggle in Chinese equities "reflects the deep confidence crisis the country is experiencing," Yan Wang, chief China strategist at Alpine Macro, said in a report. "Caution is still warranted. Without more aggressive policy refraction from Beijing and a decisive cyclical upturn, Chinese stocks will likely remain highly jittery, despite deeply depressed valuations.

"Foreign investors sold 171 billion (US\$23.4 billion) yuan worth of mainland stocks in the three months through October 31, according to Stock Connect data. Meanwhile, mainland Chinese funds bought HK\$151 billion (US\$19.3 billion) of stocks in the city over the same period.

"Market confidence in the Chinese economy remains depressed, with continued capital outflows," Nomura analysts including Ting Lu said in a note after the PMI report. "We expect economic conditions to remain poor or even to deteriorate further in coming months."

Elsewhere, BYD fell 3.6 per cent to HK\$237.40. China's biggest EV maker reported its best quarterly profit during the July to September period on the back of surging deliveries and cost reduction.

Asian stocks were mixed on Tuesday. Japan's Nikkei 225 gained 0.5 per cent and Australia's S&P/ASX 200 gained 0.1 per cent, while South Korea's Kospi retreated 1.4 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 NOV 23	-335	17144	17590	17047
H. SENG FUT DEC 23	-329	17216	17660	17126
H. SENG FUT MAR 24	-340	17334	17775	17260
H. SENG FUT JUN 24	-340	17303	17318	17266
MINI H. SENG FUT NOV 23	-335	17144	17590	17048
MINI H. SENG FUT DEC 23	-329	17216	17656	17122
MINI H. SENG FUT MAR 24	-340	17334	17780	17246
MINI H. SENG FUT JUN 24 #N/A	N/A	17303	17480	17266
HSCEI FUT NOV 23	-107	5889	6045	5856
HSCEI FUT DEC 23	-104	5921	6073	5888
HSCEI FUT MAR 24	-104	6007	6153	5982
HSCEI FUT JUN 24	-97	6025	#N/A	#N/A
MINI HSCEI FUT NOV 23	-107	5889	6044	5856
MINI HSCEI FUT DEC 23	-104	5921	6071	5885
MINI HSCEI FUT MAR 24	-104	6007	6150	5990
MINI HSCEI FUT JUN 24 #N/A	N/A	6025	6050	6050

Major HSI Constituent Stocks	Close	Change	High	Low
*Alia Group Ltd	67.85	-0.85	68.95	67.6
**Tencent Holdings Ltd	289.2	-6.2	295.4	288
*HSBC Holdings PLC	56.15	-1.05	56.3	55.5
**China Construction Bank Corp	4.44	-0.04	4.48	4.41
**Ping An Insurance Group	40.1	-0.3	40.75	39.7
**Meituan	110.6	-3.4	113.6	110.3
*Hong Kong Exchanges & Clearing Ltd	275	-5	280	272.4
**Alibaba Group Holdings Ltd	80.05	-1.8	81.3	79.9
**Xiaomi Corp	14.02	-0.3	14.4	13.98
**ICBC	3.76	0.02	3.78	3.71

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	48.6	-1.9	50.15	47.75
**China Mobile Ltd	61.95	0	62.1	61.15
**Bank of China Ltd	2.74	0.01	2.75	2.7
*Techtronic Industries Co Ltd	71.3	-1.55	72.5	70.35
*CK Hutchison Holdings Ltd	39.55	-0.3	40.15	39.4
*Link REIT	35.9	-0.5	36.7	35.7
*CLP Holding Ltd	57.25	-0.55	58.15	57.1
**Geely Automobile Holdings Ltd	8.87	-0.13	9.02	8.81
**CNOOC Ltd	12.68	-0.18	12.88	12.56
**ANTA Sports Products Ltd	88.35	-2.35	90.6	88

Global Equity Indices	Close	Change	High	Low
Hang Seng	17112.48	-293.88	17337.7	17042.1
HSCEI	5861.74	-98.59	5939.39	5833.58
Shanghai Comp Index	3018.77	-2.782	3023	3006.609
Nikkei 225	30858.9	161.89	30973.7	30552.65
KOSPI	2277.99	-32.56	2322.45	2273.97
S&P/ASX200	6780.68	7.751	6816.4	6770.4
DJIA	33052.9	123.91	33070.3	32787.12
S&P 500	4193.8	26.98	4195.55	4153.12
NASDAQ	12851.2	61.76	12859.4	12697.04
DAX	14810.3	93.8	14829.6	14722.38
CAC	6885.65	0.89	6903.2	6831.67
FTSE100	7321.72	-5.67	7373.53	7309.04

Technical Analysis

Mini Hang Seng

1st Resistance:	17401	2nd Resistance:	17658
1st Support:	16887	2nd Support:	16630
MACD:	-193.449		
MACD DIFF:	-9.79851		
RSI:	42.1194		

Mini Hang Seng China Enterprise

1st Resistance:	5977	2nd Resistance:	6066
1st Support:	5801	2nd Support:	5712
MACD:	-73.564		
MACD DIFF:	-1.357		
RSI:	42.8843		

Strategy:

Mini Hang Seng:	Long: Profit target:	Stop-loss:	Long: Profit target:	Stop-loss:
	16887	17056	16802	16630

	Short: Profit target:	Stop-loss:	Short: Profit target:	Stop-loss:
	17401	17227	17488	17658

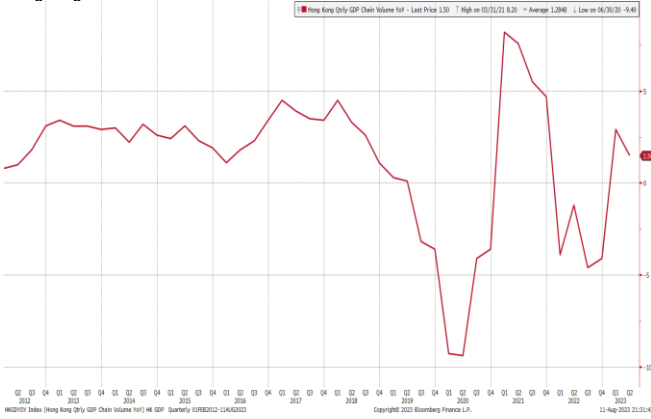
Mini Hang Seng China Enterprise:	Long: Profit target:	Stop-loss:	Long: Profit target:	Stop-loss:
	5801	5859	5772	5712

	Short: Profit target:	Stop-loss:	Short: Profit target:	Stop-loss:
	5977	5918	6007	6066

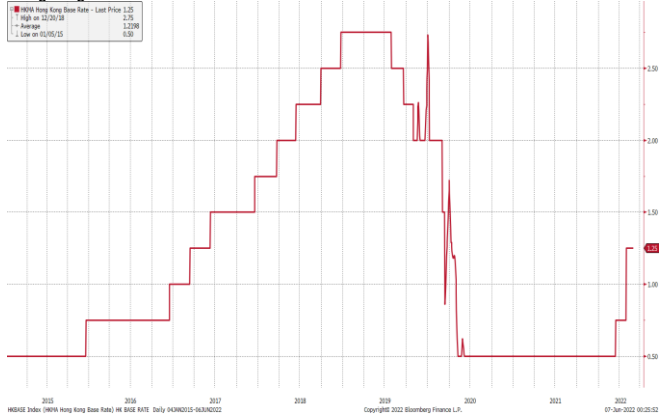
Hong Kong Economic Releases	Period	Survey	Actual	Prior	Revised	
10/31/2023 16:30	GDP YoY	3Q A	5.20%	0.041	1.50%	--
10/31/2023 16:30	GDP SA QoQ	3Q A	1.50%	0.001	-1.30%	--
10/31/2023	Money Supply M1 HKD YoY	Sep	--	-0.192	-18.80%	--
10/31/2023	Money Supply M2 HKD YoY	Sep	--	0.023	1.40%	--
10/31/2023	Money Supply M3 HKD YoY	Sep	--	0.023	1.40%	--
10/31/2023	Budget Balance HKD	Sep	--	-41.5b	-39.1b	--
11/01/2023 16:30	Retail Sales Value YoY	Sep	13.80%	--	13.70%	--
11/01/2023 16:30	Retail Sales Volume YoY	Sep	10.90%	--	11.00%	--
11/03/2023 08:30	S&P Global Hong Kong PMI	Oct	--	--	49.6	--

China Economic Releases	Period	Survey	Actual	Prior	Revised	
10/31/2023 09:30	Composite PMI	Oct	--	50.7	52	--
10/31/2023 09:30	Manufacturing PMI	Oct	50.2	49.5	50.2	--
10/31/2023 09:30	Non-manufacturing PMI	Oct	52	50.6	51.7	--
10/31/2023 14:00	Bloomberg Oct. China Economic Survey (Table)					
11/01/2023 09:45	Caixin China PMI Mfg	Oct	50.8	--	50.6	--
11/03/2023 09:45	Caixin China PMI Composite	Oct	--	--	50.9	--
11/03/2023 09:45	Caixin China PMI Services	Oct	51	--	50.2	--
11/03/2023	BoP Current Account Balance	3Q P	--	--	\$64.7b	--

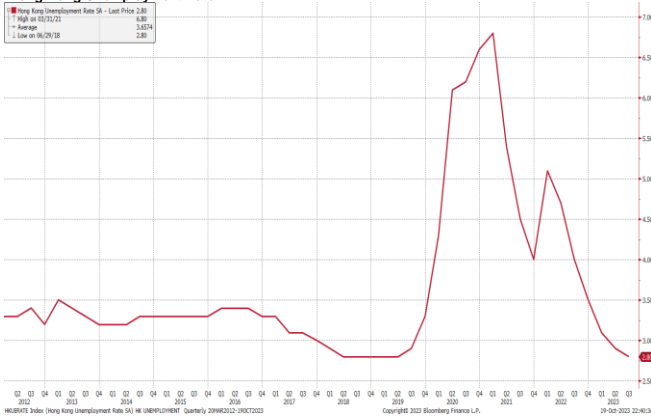
Hong Kong GDP Q on Q



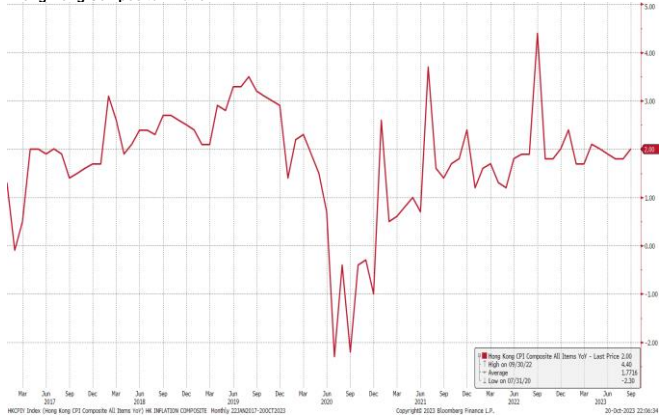
Hong Kong Base Interest Rate



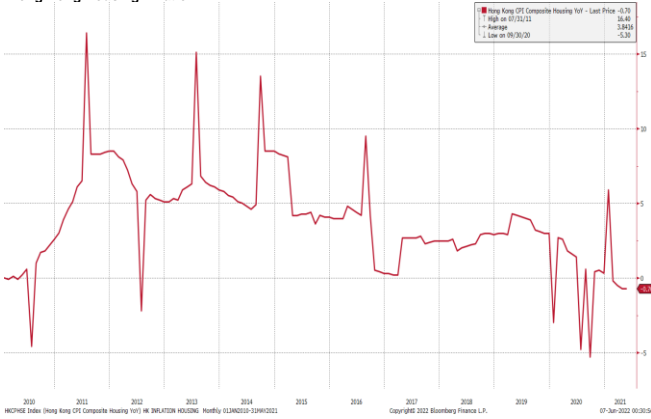
Hong Kong Unemployment Rate



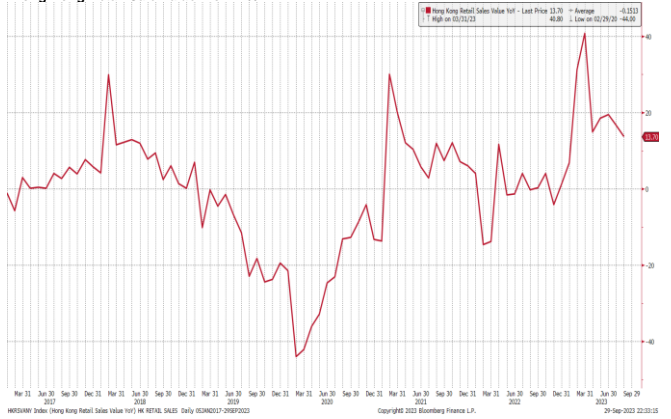
Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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