

Fundamentals:

Hong Kong stocks advanced after the Federal Reserve signalled a "dovish pivot" in its policy stance after keeping its key rate unchanged overnight, spurring bets that the tightening cycle is coming to an end. The city's biggest developers rallied after top commercial banks also kept their prime rate steady.

The Hang Seng Index closed 0.8 per cent higher at 17,230.59 on Thursday, the biggest increase in about a week, after rallying as much as 2.1 per cent. The Tech Index gained 1.6 per cent, while the Shanghai Composite Index erased gain to lose 0.5 per cent.

Alibaba Group jumped 1.1 per cent to HK\$80.50 and rival e-commerce platform operator JD.com added 0.7 per cent to HK\$99.40, while Tencent rose 0.6 per cent to HK\$288.60. Henderson Land led home builders higher, surging 4.6 per cent to HK\$21.50, while Sun Hung Kai Properties climbed 2.1 per cent to HK\$82.80.

Bank of China (Hong Kong) gained 0.7 per cent to HK\$21, Hang Seng Bank traded 1.4 per cent higher at HK\$90.60, while China Construction Bank strengthened 0.4 per cent to HK\$4.49. HSBC erased an earlier drop to end with a 0.2 per cent gain at HK\$57.

"A near-term relief rally is likely on the cards, especially driven by tech [and other] areas of the market that tend to be more correlated to moves in US bond yields," said Chetan Seth, Asian equity strategist at Nomura. "It does not appear to us that this will be a breakout rally."

The Hang Seng Index has declined almost 13 per cent this year, making it the worst performer among major global stock indices, according to Bloomberg data. Concerns about higher rates have clouded the outlook for property developers, while pushing overleveraged ones into debt distress.

The Fed left the key rate unchanged at a 22-year high of 5.25 to 5.5 per cent overnight, as inflation slowed and higher Treasury yields effectively tightened financial conditions. In lockstep, the Hong Kong Monetary Authority maintained its base rate at 5.75 per cent, a 16-year high.

"We expect the Fed to remain on hold going into next year," said Ray Sharma-Ong, investment director for multi-asset solutions at abrdn, a UK-based money manager. This will reduce market volatility stemming from policy uncertainty and enable equity markets to better price assets based on corporate fundamentals, he added.

The Fed has hiked rates 11 times since the "policy lift-off" in March 2022, the most aggressive tightening in four decades to tame inflation. Although officials did not take future increases off the table, they said they would proceed carefully as financial conditions have "tightened significantly" in recent months.

Meanwhile, stock gains narrowed toward closing as consumer stocks tumbled amid renewed concerns about weak spending. Yum China slumped 1.7 per cent to HK\$350 after third-quarter earnings underwhelmed. Food delivery platform Meituan lost 0.9 per cent to HK\$108 and hotpot restaurant chain Haidilao dropped 1.2 per cent to HK\$16.86.

Two stocks debuted on Thursday. Guoquan Food Shanghai closed flat at HK\$5.98 on its first day of trading in Hong Kong, while Hangzhou Reformer Holding surged 108 per cent to 16 yuan in Beijing.

Other key Asian markets advanced. Australia's S&P/ASX 200 rose 0.9 per cent and the Nikkei 225 Index in Japan added 1.1 per cent, while South Korea's Kospi jumped 1.8 per cent.

(Source: South China Morning Post)

Contracts	Chg	Sett	High	Low
H. SENG FUT NOV 23	209	17293	17486	17055
H. SENG FUT DEC 23	212	17370	17550	17134
H. SENG FUT MAR 24	212	17489	17674	17378
H. SENG FUT JUN 24	212	17459	17622	17237
MINI H. SENG FUT NOV 23	209	17293	17486	17054
MINI H. SENG FUT DEC 23	212	17370	17555	17131
MINI H. SENG FUT MAR 24	212	17489	17677	17275
MINI H. SENG FUT JUN 24	210	17459	17607	17393
HSCEI FUT NOV 23	78	5953	6023	5864
HSCEI FUT DEC 23	78	5982	6050	5909
HSCEI FUT MAR 24	78	6069	6103	5997
HSCEI FUT JUN 24	77	6087	6084	6082
MINI HSCEI FUT NOV 23	78	5953	6023	5865
MINI HSCEI FUT DEC 23	78	5982	6038	5902
MINI HSCEI FUT MAR 24	78	6069	6118	6009
MINI HSCEI FUT JUN 24	77	6087	6118	6028

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	68.3	0.9	69.45	68
**Tencent Holdings Ltd	288.6	1.6	294.2	286.8
**HSBC Holdings PLC	57	0.1	57.15	56.65
**China Construction Bank Corp	4.49	0.02	4.57	4.48
**Ping An Insurance Group	40.25	0.5	40.8	39.9
**Meituan	108	-1	112	106.6
*Hong Kong Exchanges & Clearing Ltd	275.6	1.8	279.6	275
**Alibaba Group Holdings Ltd	80.5	0.9	82.2	80.3
**Xiaomi Corp	15.08	0.86	15.2	14.4
**ICBC	3.78	-0.02	3.85	3.75

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	47	-0.9	48.55	46.55
**China Mobile Ltd	62.55	0.5	62.9	62.05
**Bank of China Ltd	2.8	0.03	2.83	2.78
*Techtronic Industries Co Ltd	71.25	0.25	72.95	70.8
*CK Hutchison Holdings Ltd	40.3	0.75	40.45	39.9
*Link REIT	38.25	2.4	38.5	36.15
*CLP Holding Ltd	58.4	0.85	58.4	57.65
**Geely Automobile Holdings Ltd	9.19	0.34	9.37	8.97
**CNOOC Ltd	12.96	0.06	13.06	12.88
**ANTA Sports Products Ltd	88.75	0.4	89.6	88.2

Global Equity Indices	Close	Change	High	Low
Hang Seng	17230.59	128.81	17459.4	17176.01
HSCEI	5911.08	51.51	5995.93	5887.99
Shanghai Comp Index	3009.41	-13.67	3038.64	3009.121
Nikkei 225	31949.9	348.24	32087.1	31878.36
KOSPI	2343.12	41.56	2351.91	2333.41
S&P/ASX200	6899.73	61.426	6928.5	6838.3
DJIA	33839.1	564.5	33853	33450.03
S&P 500	4317.31	79.45	4318.7	4268.26
NASDAQ	13294.2	232.72	13302.2	13177.64
DAX	15143.6	220.33	15202.4	15028.03
CAC	7060.69	1.85	7097.39	6982.04
FTSE100	7446.53	104.1	7469.75	7342.43

Mini Hang Seng Futures Daily Chart



Mini Hang Seng China Enterprise Futures Daily Chart



Technical Analysis

Mini Hang Seng

1st Resistance:	17552	2nd Resistance:	17812
1st Support:	17034	2nd Support:	16774
MACD:	-182.973		
MACD DIFF:	2.86822		
RSI:	45.9637		

Mini Hang Seng China Enterprise

1st Resistance:	6042	2nd Resistance:	6132
1st Support:	5864	2nd Support:	5774
MACD:	-66.091		
MACD DIFF:	5.073		
RSI:	47.0384		

Strategy:

Mini Hang Seng:	Long: Profit target:	Stop-loss:	Long: Profit target:	Stop-loss:
	17034	17204	16948	16774

Short: Profit target:	Stop-loss:	Short: Profit target:	Stop-loss:
17552	17377	17640	17812

Mini Hang Seng China Enterprise:	Long: Profit target:	Stop-loss:	Long: Profit target:	Stop-loss:
	5864	5922	5834	5774

Short: Profit target:	Stop-loss:	Short: Profit target:	Stop-loss:
6042	5982	6073	6132

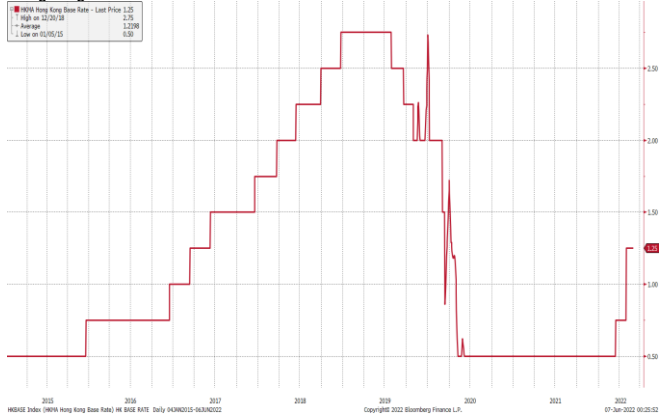
Hong Kong Economic Releases	Period	Survey	Actual	Prior	Revised	
10/31/2023 16:30	GDP YoY	3Q A	5.20%	0.041	1.50%	--
10/31/2023 16:30	GDP SA QoQ	3Q A	1.50%	0.001	-1.30%	--
10/31/2023	Money Supply M1 HKD YoY	Sep	--	-0.192	-18.80%	--
10/31/2023	Money Supply M2 HKD YoY	Sep	--	0.023	1.40%	--
10/31/2023	Money 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%	0.13	13.70%	--
11/01/2023 16:30	Retail Sales Volume YoY	Sep	10.90%	0.101	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	52
10/31/2023 09:30	Manufacturing PMI	Oct	50.2	49.5	50.2	50.2
10/31/2023 09:30	Non-manufacturing PMI	Oct	52	50.6	51.7	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	49.5	50.6	50.6
11/03/2023 09:45	Caixin China PMI Composite	Oct	--	--	50.9	50.9
11/03/2023 09:45	Caixin China PMI Services	Oct	51	--	50.2	50.2
11/03/2023	BoP Current Account Balance	3Q P	--	--	\$64.7b	\$64.7b

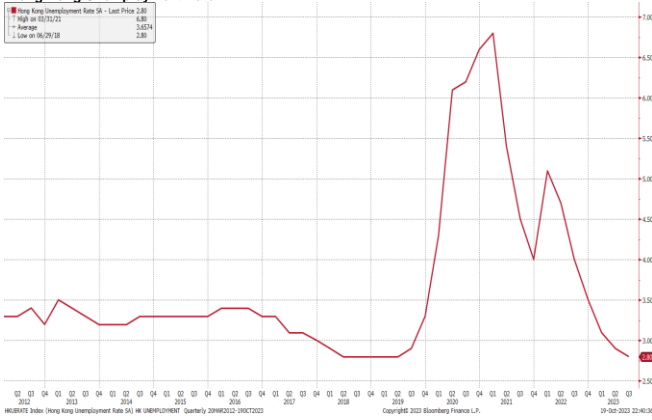
Hong Kong GDP Q on Q



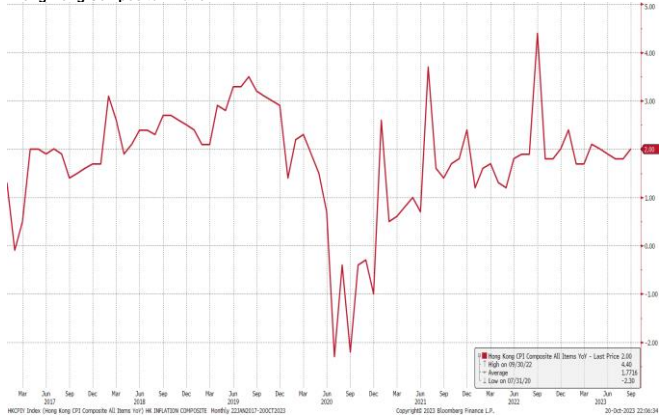
Hong Kong Base Interest Rate



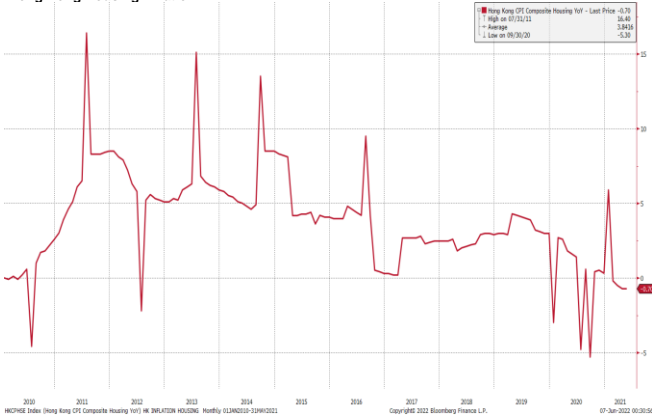
Hong Kong Unemployment Rate



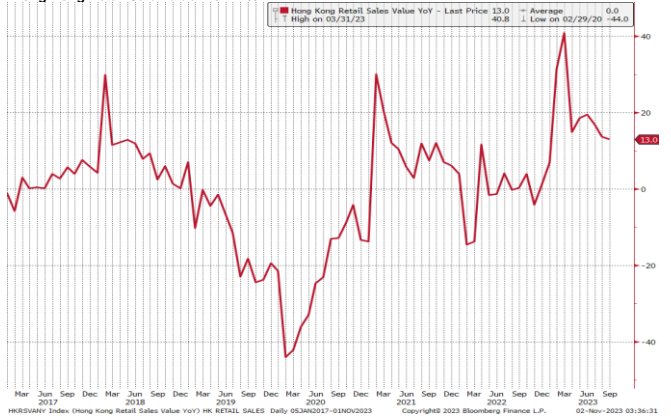
Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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