

Fundamentals:

Hong Kong stocks slid to the lowest in two weeks, taking cues from sell-offs in Asia and the US, after weak American manufacturing data and a surge in the Japanese yen put investors on tenterhooks.

The Hang Seng Index fell 1.1 per cent to 17,457.34, the lowest close since August 21. The Hang Seng Tech Index dropped 0.4 per cent, and the Shanghai Composite Index retreated 0.7 per cent.

Japan's Nikkei 225 slumped 4.2 per cent and Taiwan's Taixex tumbled 4.5 per cent as the worst performers in Asia. That followed a 2.1 per cent decline in the S&P 500 overnight for its steepest drop since August, with the VIX Index – the so-called fear gauge – surging. AI chip maker Nvidia lost a record US\$279 billion in market value.

Traders shifted to a risk-off mode after a report showed that US manufacturing activity shrank for a fifth straight month in August, overshadowing the Goldilocks scenario of resilient growth and low inflation.

Meanwhile, Japan's central bank maintained its hawkish rhetoric on monetary policy, reiterating that it will keep raising borrowing costs should economic growth and inflation continue to pick up. The comment fuelled the strengthening of the yen, risking further unravelling of the carry trade that rolled global financial markets last month. The Japanese currency appreciated 0.3 per cent against the US dollar on Wednesday, extending a 1 per cent gain a day earlier.

"The bar for this week is sky-high," said Stephen Innes, managing director at SPI Asset Management in Bangkok. "So any whiff of bad news, even if it's more anecdotal than earth-shattering, could easily set off a wave of disappointment. America's factory recession is still alive, and the growth scare is back with a vengeance."

In another sign of slowing growth, China's services industry moderated in August, with a private purchasing managers' index in the sector falling to 51.6 from 52.1 in July.

Oil producers led the decline in Hong Kong stocks after prices dropped to around US\$69 a barrel, a low for the year. CNOOC plunged 6.4 per cent to HK\$19.90 and PetroChina sank 6.1 per cent to HK\$6.51. Tencent Holdings fell 1.4 per cent to HK\$372.80 and Hong Kong Exchanges and Clearing shed 1.3 per cent to HK\$229.80.

Sun Hung Kai Properties, Hong Kong's biggest developer, dropped 0.9 per cent to HK\$73.75 after Bocom International cut its price target by 13 per cent to HK\$96.10. The developer's results for the financial year ending in June are due Thursday. Net income probably dropped 2.1 per cent from a year ago, according to the consensus estimate of analysts tracked by Bloomberg.

Sanergy Group, the maker of graphite products that is in the spotlight after a stock meltdown, rebounded 78 per cent to HK\$0.58 after saying a 98 per cent plunge on Monday was triggered by forced unwinding of margin trading.

Zhejiang EV-Tech, an auto-part maker for new-energy vehicles, surged 292 per cent to 54.88 yuan in its debut in Shenzhen.

Other markets in Asia also weakened. South Korea's Kospi retreated 3.2 per cent and Australia's S&P/ASX 200 lost 1.9 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 SEP 24	-158	17438	17594	17297
H. SENG FUT OCT 24	-159	17486	17611	17345
H. SENG FUT DEC 24	-159	17550	17680	17415
H. SENG FUT MAR 25	-164	17581	17648	17441
MINI H. SENG FUT SEP 24	-158	17438	17593	17298
MINI H. SENG FUT OCT 24	-159	17486	17641	17345
MINI H. SENG FUT DEC 24	-159	17550	17706	17418
MINI H. SENG FUT MAR 25	-164	17581	17700	17450
HSCEI FUT SEP 24	-55	6127	6182	6072
HSCEI FUT OCT 24	-57	6145	6187	6093
HSCEI FUT DEC 24	-56	6176	6218	6125
HSCEI FUT MAR 25	-56	6204	6224	6177
MINI HSCEI FUT SEP 24	-55	6127	6182	6073
MINI HSCEI FUT OCT 24	-57	6145	6188	6094
MINI HSCEI FUT DEC 24	-56	6176	6220	6128
MINI HSCEI FUT MAR 25	-56	6204	6243	6158

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	54.25	-0.5	54.55	53.65
**Tencent Holdings Ltd	372.8	-5.4	376.6	371.2
**HSBC Holdings PLC	67.05	-0.9	67.3	66.5
**China Construction Bank Corp	5.41	0.03	5.44	5.33
**Ping An Insurance Group	35.1	-0.5301	35.85	34.95
**Meituan	119.2	0.3	120.4	117
*Hong Kong Exchanges & Clearing Ltd	229.8	-3	232	227.2
**Alibaba Group Holdings Ltd	80.1	0	80.4	79
**Xiaomi Corp	18.66	-0.52	18.86	18.44
**ICBC	4.25	-0.03	4.29	4.22

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	11.08	0.08	11.24	10.68
**China Mobile Ltd	72.6	-0.95	73.45	72.2
**Bank of China Ltd	3.43	0	3.44	3.36
*Techtronic Industries Co Ltd	102.8	-1.8	103.9	102.4
*CK Hutchison Holdings Ltd	42	-0.35	42.35	41.65
*Link REIT	35.9	-0.45	36.3	35.55
*CLP Holding Ltd	69.15	0.65	69.4	68.5
**Geely Automobile Holdings Ltd	8.98	0.05	8.98	8.77
**CNOOC Ltd	19.9	-1.35	20.45	19.84
**ANTA Sports Products Ltd	75	-1	76.7	74.8

Global Equity Indices	Close	Change	High	Low
Hang Seng	17457.34	-194.15	17531.1	17333.3
HSCEI	6133.98	-69.57	6163.25	6084.69
Shanghai Comp Index	2784.28	-18.701	2800.61	2781.935
Nikkei 225	37047.6	-1638.7	38080	36879.33
KOSPI	2580.8	-83.83	2608.13	2578.07
S&P/ASX200	7950.48	-152.749	8103.2	7928.5
DJIA	40867.5	-69.46	41172.6	40840.89
S&P 500	5511.16	-17.77	5552.99	5506.68
NASDAQ	17042.8	-93.48	17232.7	16984.67
DAX	18591.9	-155.26	18654.2	18531.98
CAC	7500.97	-0.98	7530.83	7482.4
FTSE100	8269.6	-28.86	8298.46	8219.26

Technical Analysis

Mini Hang Seng

1st Resistance:	17700	2nd Resistance:	17961
1st Support:	17176	2nd Support:	16915
MACD:	76.910		
MACD DIFF:	13.0981		
RSI:	48.116		

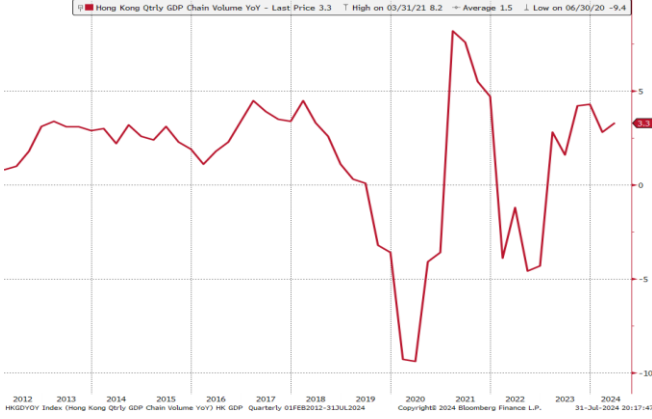
Mini Hang Seng China Enterprise

1st Resistance:	6219	2nd Resistance:	6311
1st Support:	6035	2nd Support:	5943
MACD:	15.449		
MACD DIFF:	3.089		
RSI:	46.8311		

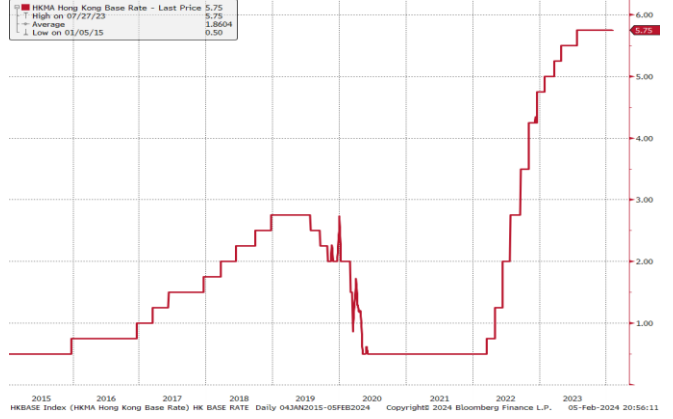
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
08/30/2024 16:30	Retail Sales Volume YoY	Jul	-10.9	-13.3	-11.20%	--
08/30/2024 16:30	Retail Sales Value YoY	Jul	-8.6	-11.8	-9.70%	--
08/30/2024 16:30	Money Supply M1 HKD YoY	Jul	--	-3.0%	-5.90%	--
08/30/2024 16:30	Money Supply M2 HKD YoY	Jul	--	2.0%	1.50%	--
08/30/2024 16:30	Money Supply M3 HKD YoY	Jul	--	2.0%	1.50%	--
09/04/2024 08:30	S&P Global Hong Kong PMI	Aug	--	49.4	49.5	--
09/12/2024 16:30	PPI YoY	2Q	--	--	1.20%	--
09/19/2024 16:30	Unemployment Rate SA	Aug	--	--	3.00%	--
09/20/2024 16:30	BoP Current Account Balance	2Q	--	--	\$100.96b	\$98.08b
09/20/2024 16:30	BoP Overall	2Q	--	--	-\$35.51b	--
09/20/2024 16:30	CPI Composite YoY	Aug	--	--	2.50%	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
08/31/2024 09:30	Composite PMI	Aug	--	50.1	50.2	--
08/31/2024 09:30	Manufacturing PMI	Aug	49.5	49.1	49.4	--
08/31/2024 09:30	Non-manufacturing PMI	Aug	50.1	50.3	50.2	--
09/02/2024 09:45	Caixin China PMI Mfg	Aug	50.0	50.4	49.8	--
09/04/2024 09:45	Caixin China PMI Composite	Aug	--	51.2	51.2	--
09/04/2024 09:45	Caixin China PMI Services	Aug	52.1	51.6	52.1	--
09/09/2024 09:30	PPI YoY	Aug	-1.40%	--	-0.80%	--
09/09/2024 09:30	CPI YoY	Aug	0.70%	--	0.50%	--
09/09/2024 09/15	Money Supply M2 YoY	Aug	6.20%	--	6.30%	--
09/09/2024 09/15	Money Supply M1 YoY	Aug	-6.70%	--	-6.60%	--
09/09/2024 09/15	Money Supply M0 YoY	Aug	--	--	12.00%	--
09/11/2024 09/18	FDI YTD YoY CNY	Aug	--	--	-29.60%	--

Hong Kong GDP Y on Y



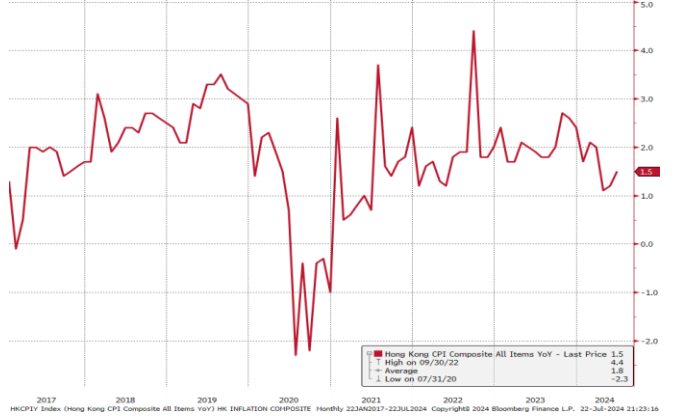
Hong Kong Base Interest Rate



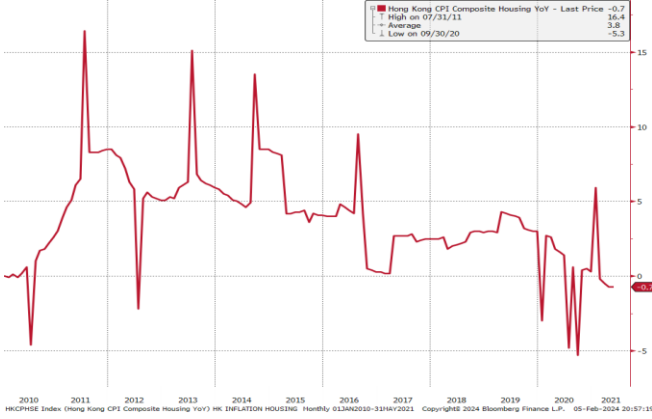
Hong Kong Unemployment Rate



Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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