

Fundamentals:

Hong Kong stocks approached a four-week low as weak consumer spending and manufacturing added to signs China's economic recovery is faltering. Boardroom changes dented Meituan.

The Hang Seng Index slipped 0.5 per cent to 18,794.13 on Monday, the lowest level since June 2. The benchmark slumped 5.8 per cent last week in the biggest sell-off since mid-March. The Tech index lost 0.2 per cent, while the Shanghai Composite Index tumbled 1.5 per cent.

Tencent declined 1.2 per cent to HK\$332.80 and Alibaba Group weakened 1 per cent to HK\$83.25, while chip maker SMIC lost 0.9 per cent to HK\$19.92. Travel agency Trip.com dropped 2.8 per cent to HK\$267.80.

Macau casino operator Sands China declined 1.8 per cent to HK\$27.50. Developer Longfor slipped 3.8 per cent to HK\$17.88 while peer Country Garden lost 2.5 per cent to HK\$1.55.

Meituan lost 0.6 per cent to HK\$124 after co-founder Wang Huiwen resigned as non-executive director, according to an exchange filing. E-commerce giant JD.com tumbled 2.9 per cent to HK\$136.10 after local mainland media said the group set up a new business unit to explore offline expansion amid an online price war. Yui Yu stepped down as CEO and executive director of its logistics arm, the company said.

Chinese holiday makers made about 106 million domestic trips during the three-day holiday last week, the tourism ministry said in a statement. While it was 13 per cent higher than the same Dragon Boat holiday in 2019, revenue was 5 per cent below the pre-pandemic collection, it added.

Meanwhile, Chinese manufacturing likely contracted gain in June, according to consensus forecasts before a government report on Friday. The official PMI manufacturing index likely hit 49 in June, versus 48.8 in May, according to economists tracked by Bloomberg.

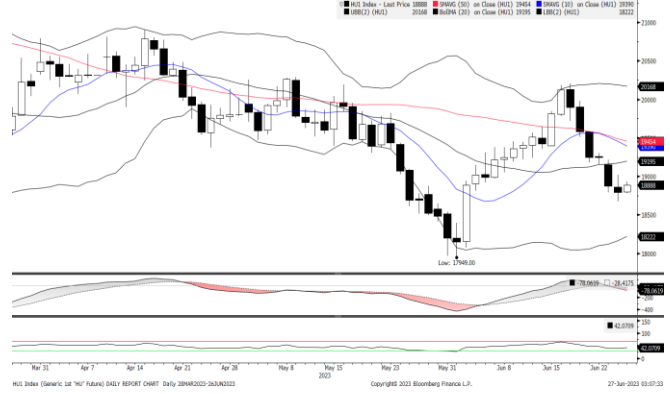
China will roll out more measures to continue with its countercyclical policy against global tightening drive, the state-run China Securities Journal wrote in an editorial on Monday. There could be more fiscal policy support, such as special-bond financing and consumption vouchers, it added.

Global hedge funds have pulled more money out of China last week, moving their capital to India and Japan for better returns, according to data compiled by Goldman Sachs. They have taken out about 70 per cent of the money they put into the market during the economic reopening euphoria.

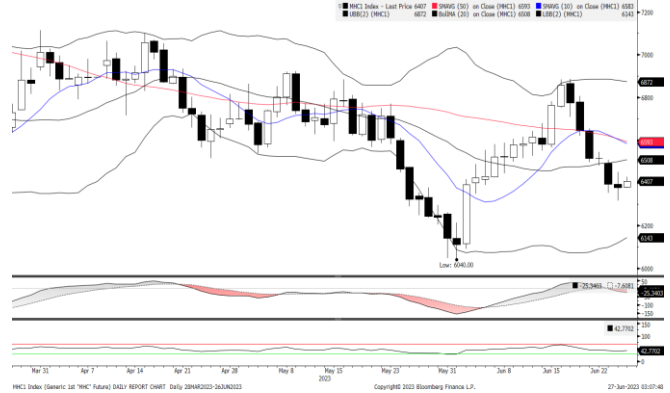
Key Asian markets were mixed. The Kospi in South Korea added 0.5 per cent, while the Nikkei 225 in Japan and the S&P/ASX 200 in Australia both lost 0.3 per cent.

(Source: South China Morning Post)

Mini Hang Seng Futures Daily Chart



Mini Hang Seng China Enterprise Futures Daily Chart



Technical Analysis

Mini Hang Seng

1st Resistance: 19078 2nd Resistance: 19360
 1st Support: 18514 2nd Support: 18232
 MACD: -51.664
 MACD DIFF: -35.9283
 RSI: 40.0588

Mini Hang Seng China Enterprise

1st Resistance: 6474 2nd Resistance: 6569
 1st Support: 6282 2nd Support: 6187
 MACD: -16.264
 MACD DIFF: -13.176
 RSI: 41.0823

Strategy:

Mini Hang Seng: Long: Profit target: 18514 Stop-loss: 18699 18421 Long: Profit target: 18232 Stop-loss: 18414 18141

Short: Profit target: 19078 Stop-loss: 18887 19173 Short: Profit target: 19360 Stop-loss: 19166 19457

Mini Hang Seng China Enterprise: Long: Profit target: 6282 Stop-loss: 6345 6251 Long: Profit target: 6187 Stop-loss: 6249 6156

Short: Profit target: 6474 Stop-loss: 6409 6506 Short: Profit target: 6569 Stop-loss: 6504 6602

Contracts	Chg	Sett	High	Low
H. SENG FUT JUN 23	-79	18796	19022	18676
H. SENG FUT JUL 23	-72	18713	18935	18584
H. SENG FUT SEP 23	-74	18736	18920	18628
H. SENG FUT DEC 23	-79	18796	19022	18676
MINI H. SENG FUT JUN 23	-79	18796	19022	18675
MINI H. SENG FUT JUL 23	-72	18713	18934	18585
MINI H. SENG FUT SEP 23	-74	18736	18956	18620
MINI H. SENG FUT DEC 23	-79	18796	19022	18675
HSCEI FUT JUN 23	-16	6378	6453	6317
HSCEI FUT JUL 23	-14	6310	6383	6250
HSCEI FUT SEP 23	-13	6332	6399	6291
HSCEI FUT DEC 23	-16	6378	6453	6317
MINI HSCEI FUT JUN 23	-16	6378	6452	6317
MINI HSCEI FUT JUL 23	-14	6310	6382	6248
MINI HSCEI FUT SEP 23	-13	6332	6398	6273
MINI HSCEI FUT DEC 23	-16	6378	6452	6317

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	77.1	-1.05	77.6	76.4
**Tencent Holdings Ltd	332.8	-4.2	339.4	330.2
*HSBC Holdings PLC	59.6	-0.15	60	59.35
**China Construction Bank Corp	5	0	5.04	4.99
**Ping An Insurance Group	48.6	-0.7	49.65	48.5
**Meituan	124	-0.7	126.6	122.9
*Hong Kong Exchanges & Clearing Ltd	298.2	-3.2	302.4	295
**Alibaba Group Holdings Ltd	83.25	-0.8	84.75	83.1
**Xiaomi Corp	10.42	0.43	10.6	10
**ICBC	4.11	-0.02	4.15	4.08

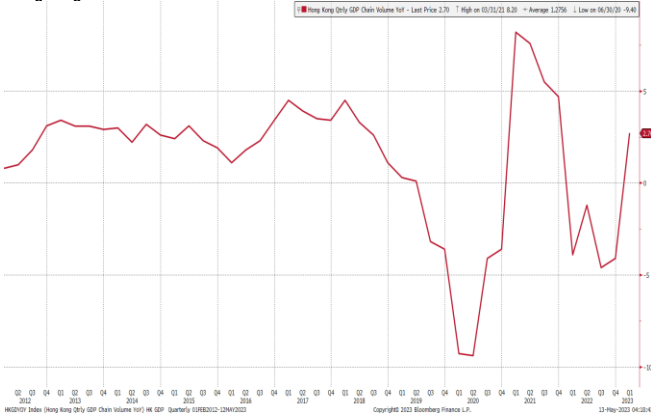
Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	38.45	0.7	39.55	37.1
**China Mobile Ltd	63.25	1	63.5	62
**Bank of China Ltd	3.11	0	3.14	3.1
*Techtronic Industries Co Ltd	84.5	3.35	84.9	80.1
*CK Hutchison Holdings Ltd	47.95	-0.2	48.4	47.8
*Link REIT	43.6	-0.5	44.35	43.6
*CLP Holding Ltd	60.1	-1.45	61.8	60.05
**Geely Automobile Holdings Ltd	9.25	0.02	9.53	9.16
**CNOOC Ltd	11.04	0	11.16	11.02
**ANTA Sports Products Ltd	79.9	-1.3	81.6	79.15

Global Equity Indices	Close	Change	High	Low
Hang Seng	18794.13	-95.84	19001.6	18767.15
HSCEI	6372.19	-22.35	6444.4	6363.21
Shanghai Comp Index	3150.62	-47.282	3181.08	3144.248
Nikkei 225	32698.8	-82.73	32884.7	32392.72
KOSPI	2582.2	12.1	2585.31	2562.03
S&P/ASX200	7078.65	-20.577	7099.5	7054.8
DJIA	33714.7	-12.72	33819.5	33610.32
S&P 500	4328.82	-19.51	4362.06	4328.08
NASDAQ	13335.8	-156.74	13573.6	13334.42
DAX	15813.1	-16.88	15874.9	15713.7
CAC	7184.35	0.29	7203.46	7105.72
FTSE100	7453.58	-8.29	7476.45	7401.18

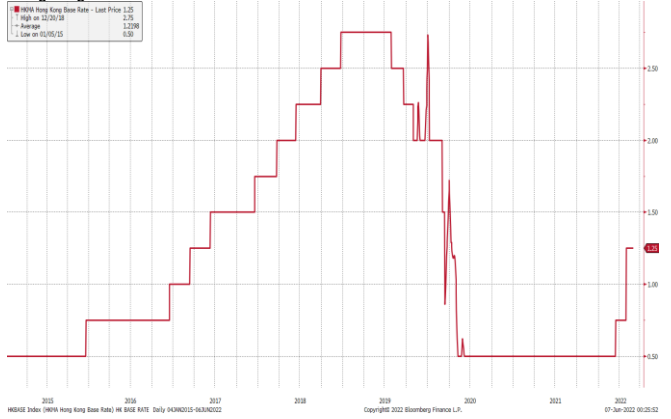
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
06/27/2023 16:30	Exports YoY	May	--	--	-13.00%	--
06/27/2023 16:30	Imports YoY	May	--	--	-11.90%	--
06/27/2023 16:30	Trade Balance HKD	May	--	--	-36.6b	--
06/30/2023	Money Supply M3 HKD YoY	May	--	--	0.90%	--
06/30/2023	Budget Balance HKD	May	--	--	-34.7b	--
06/30/2023	Money Supply M1 HKD YoY	May	--	--	-19.90%	--
06/30/2023	Money Supply M2 HKD YoY	May	--	--	0.90%	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
06/28/2023 09:30	Industrial Profits YoY	May	--	--	-18.20%	--
06/28/2023 09:30	Industrial Profits YTD YoY	May	--	--	-20.60%	--
06/28/2023 10:00	Bloomberg June China Economic Survey					
06/30/2023 09:30	Composite PMI	Jun	--	--	52.9	--
06/30/2023 09:30	Manufacturing PMI	Jun	49	--	48.8	--
06/30/2023 09:30	Non-manufacturing PMI	Jun	53.7	--	54.5	--
06/30/2023	BoP Current Account Balance	1 Q F	--	--	\$82.0b	--

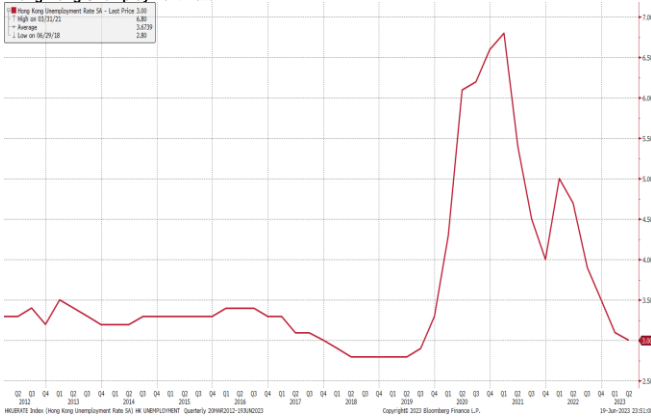
Hong Kong GDP Q on Q



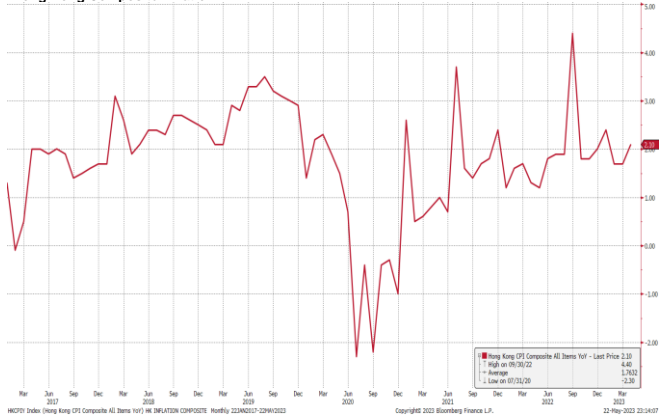
Hong Kong Base Interest Rate



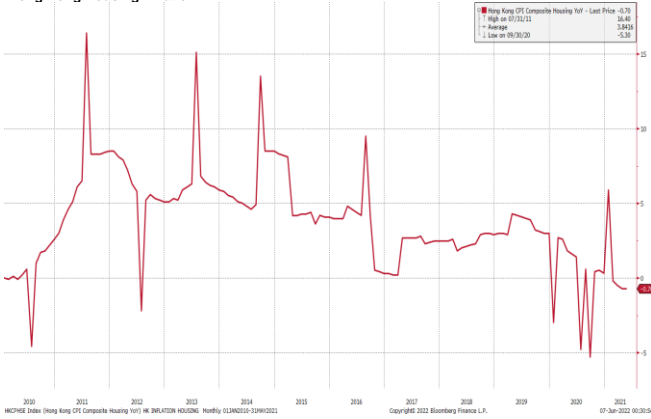
Hong Kong Unemployment Rate



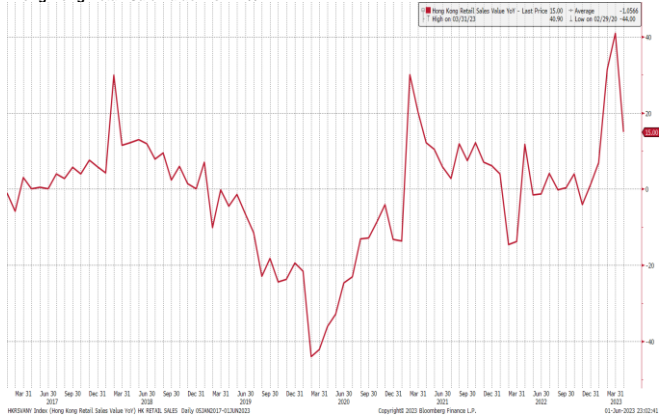
Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

Kenanga Futures Sdn Bhd (353603-X)

Dealing Desk: (603) 2172 3820 Fax: (603) 2172 2729 Email: futures@kenanga.com.my

Disclaimer: This document has been prepared for general circulation based on information obtained from sources believed to be reliable but we do not make any representations as to its accuracy or completeness.

Any recommendation contained in this document does not have regard to the specific investment objectives, financial background and the particular needs of any person who may read this document.

This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement and assessment by addressees in relation to any investment decision.

Kenanga Futures Sdn Bhd accepts no liability whatsoever for any direct or consequential loss arising from any use of this document or any solicitations of an offer to buy or sell any securities/underlying securities.

Kenanga Futures Sdn Bhd and its associates, their directors, and/or employees may have positions in, and may effect transactions in securities/underlying securities mentioned herein from time to time in the open market or otherwise, and may receive brokerage fees or act as principal or agent in dealings with respect to these companies.