

Fundamentals:

Hong Kong stocks delivered the best week in six months as investors bet on stronger stimulus injection after China signalled its concerns about the nation's faltering economy. JD.com and Meituan powered gains.

The Hang Seng Index gained 0.3 per cent to 19,413.78 at the close of Friday trading, bringing the rally this week to 5.7 per cent, the most since a 6.1 per cent surge in the opening days of January. The Tech Index completed an 8.4 per cent weekly gain, the most in seven months.

NetEase surged 2 per cent to HK\$166.90, Tencent gained 0.8 per cent to HK\$352.60, while chip maker SMIC jumped 1.5 per cent to HK\$20.15. Sportswear maker Li Ning added 2.1 per cent to HK\$42.30 and peer Anta Sports jumped 2.5 per cent to HK\$84.50. While JD.com, Meituan and Alibaba Group erased gains on Friday, the trio logged more than 10 per cent gain this week.

The rally restored more than US\$180 billion of capitalisation to the city's stock market this week. Still, the Hang Seng Index remained 3.6 per cent lower than the start of the year. Stocks pared gains in Friday trading, after rallying as much as 1 per cent. HSBC on Friday lowered its year-end targets for the index by 13 per cent to 19,580 on weak economic recovery.

China's top officials including President Xi Jinping and Premier Li Qiang to regulatory agencies have turned more friendly to private businesses, praising their economic contribution soon after handing down billion-dollar fines last week, seen as the culmination of years-long crackdown on tech firms.

Investors shrugged off more data showing China's post-pandemic economic recovery is waning. Exports and imports shrank more than expected in June, while growth in the services sector cooled, reports this month showed.

The Politburo meeting later this month will set the course for economic policy for the second half, according to BCA Research. China will only resort to "irrigation-style" stimulus if something breaks in the economy or financial markets," it said in a report on July 12.

Elsewhere, CK Asset Holdings jumped 1.7 per cent to HK\$44.35. Billionaire Li Ka-shing's flagship forfeited a HK\$2.08 billion deposit paid by LC Vision Capital 1, after the Singapore-based wealth manager failed to complete the purchase of 21 Borrett Road property in Mid-Levels.

One stock debuted on Friday. Qingdao Paguld Intelligent Manufacturing surged 33 per cent to 50.48 yuan in Shenzhen.

Major Asian markets were mixed. The Kospi Index in Korea gained 1.4 per cent and the S&P/ASX 200 Index in Australia added 0.8 per cent, while the Nikkei 225 Index in Japan lost 0.1 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: 19742 2nd Resistance: 20034
 1st Support: 19158 2nd Support: 18867
 MACD: -67.858
 MACD DIFF: 51.533
 RSI: 56.1988

Mini Hang Seng China Enterprise

1st Resistance: 6666 2nd Resistance: 6764
 1st Support: 6468 2nd Support: 6370
 MACD: -29.467
 MACD DIFF: 15.738
 RSI: 54.8385

Strategy:

Mini Hang Seng: Long: Profit target: 19350 Stop-loss: 19062 Long: Profit target: 19055 Stop-loss: 18772

Short: Profit target: 19742 Stop-loss: 19544 19840 Short: Profit target: 20034 Stop-loss: 19833 20134

Mini Hang Seng China Enterprise: Long: Profit target: 6533 Stop-loss: 6436 Long: Profit target: 6434 Stop-loss: 6338

Short: Profit target: 6666 Stop-loss: 6599 6699 Short: Profit target: 6764 Stop-loss: 6696 6798

Contracts	Chg	Sett	High	Low
H. SENG FUT JUL 23	54	19450	19597	19361
H. SENG FUT AUG 23	58	19498	19639	19410
H. SENG FUT SEP 23	60	19494	19650	19433
H. SENG FUT DEC 23	54	19450	19597	19361
MINI H. SENG FUT JUL 23	54	19450	19595	19361
MINI H. SENG FUT AUG 23	58	19498	19634	19413
MINI H. SENG FUT SEP 23	60	19494	19650	19415
MINI H. SENG FUT DEC 23	54	19450	19595	19361
HSCEI FUT JUL 23	-1	6567	6633	6551
HSCEI FUT AUG 23	0	6596	6652	6580
HSCEI FUT SEP 23	-1	6592	6650	6585
HSCEI FUT DEC 23	-1	6567	6633	6551
MINI HSCEI FUT JUL 23	-1	6567	6632	6551
MINI HSCEI FUT AUG 23	0	6596	6658	6580
MINI HSCEI FUT SEP 23	-1	6592	6656	6578
MINI HSCEI FUT DEC 23	-1	6567	6632	6551

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	80.5	-0.5	81.7	80.5
**Tencent Holdings Ltd	352.6	2.8	354.8	348.8
*HSBC Holdings PLC	62.8	0.65	62.9	62.6
**China Construction Bank Corp	4.39	0	4.42	4.38
**Ping An Insurance Group	52.35	0.35	53.2	52.2
**Meituan	132.5	-2.1	137.4	131.5
*Hong Kong Exchanges & Clearing Ltd	301.4	-1.8	306.2	300
**Alibaba Group Holdings Ltd	92.95	0.2	95	92
**Xiaomi Corp	11.48	-0.06	11.64	11.38
**ICBC	3.66	0.04	3.68	3.63

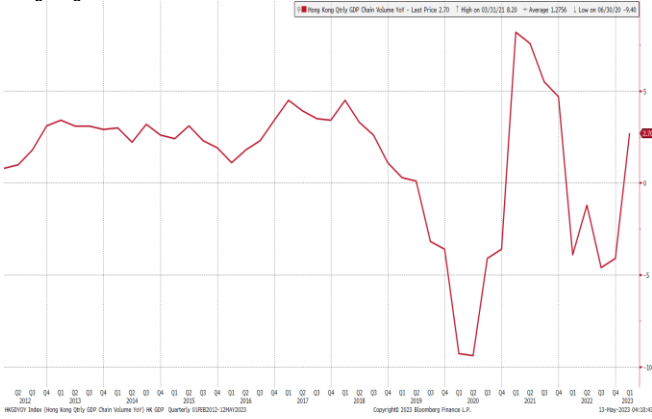
Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	40.9	0.2	41.7	40
**China Mobile Ltd	64.45	1.2	64.8	63.35
**Bank of China Ltd	2.8	0.04	2.81	2.77
*Techtronic Industries Co Ltd	87.05	1.2	87.9	86
*CK Hutchison Holdings Ltd	47.7	0.25	48	47.25
*Link REIT	43.75	0.1	44.05	43.6
*CLP Holding Ltd	61.25	0.25	61.55	60.65
**Geely Automobile Holdings Ltd	9.77	-0.08	9.91	9.56
**CNOOC Ltd	12.26	0.06	12.4	12.2
**ANTA Sports Products Ltd	84.5	2.1	85.85	82.65

Global Equity Indices	Close	Change	High	Low
Hang Seng	19413.78	63.16	19534.8	19364.6
HSCEI	6558.88	14.97	6610.5	6533.47
Shanghai Comp Index	3237.7	1.221	3248.39	3233.999
Nikkei 225	32391.3	-28.07	32780.6	32225.37
KOSPI	2628.3	37.07	2628.3	2603.36
S&P/ASX200	7303.08	56.172	7313.7	7246.9
DJIA	34509	113.89	34592.3	34425.33
S&P 500	4505.42	-4.62	4527.76	4499.56
NASDAQ	14113.7	-24.87	14232.1	14081.96
DAX	16105.1	-35.96	16149.1	16071.74
CAC	7374.54	0.06	7403.15	7353.92
FTSE100	7434.57	-5.64	7480.43	7421.31

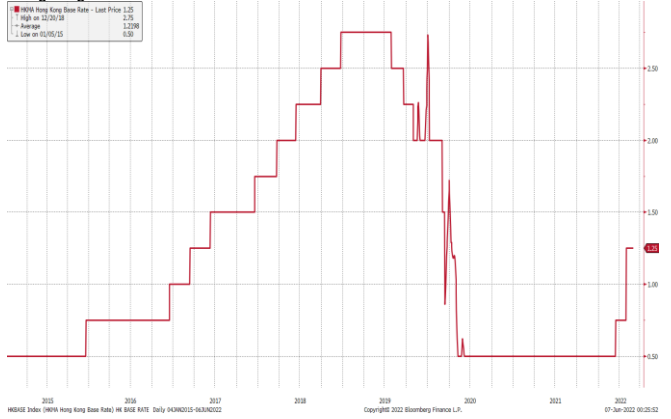
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
07/18/2023 16:30	Unemployment Rate SA	Jun	--	--	3.00%	--
07/20/2023 16:30	CPI Composite YoY	Jun	--	--	2.00%	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
07/14/2023 07:18	FDI YTD YoY CNY	Jun	--	--	0.10%	--
07/15/2023 09:30	New Home Prices MoM	Jun	--	--	0.10%	--
07/17/2023 09:20	1-Yr Medium-Term Lending Facility Ra	Jul-15	2.65%	--	2.65%	--
07/17/2023 09:20	1-Yr Medium-Term Lending Facilities V	Jul-15	125.0b	--	237.0b	--
07/17/2023 10:00	GDP YoY	2Q	7.10%	--	4.50%	--
07/17/2023 10:00	GDP SA QoQ	2Q	0.80%	--	2.20%	--
07/17/2023 10:00	GDP YTD YoY	2Q	6.10%	--	4.50%	--
07/17/2023 10:00	Industrial Production YoY	Jun	2.50%	--	3.50%	--
07/17/2023 10:00	Industrial Production YTD YoY	Jun	3.50%	--	3.60%	--
07/17/2023 10:00	Retail Sales YoY	Jun	3.30%	--	12.70%	--
07/17/2023 10:00	Retail Sales YTD YoY	Jun	8.00%	--	9.30%	--
07/17/2023 10:00	Fixed Assets Ex Rural YTD YoY	Jun	3.40%	--	4.00%	--
07/17/2023 10:00	Property Investment YTD YoY	Jun	-7.50%	--	-7.20%	--
07/17/2023 10:00	Residential Property Sales YTD YoY	Jun	--	--	11.90%	--
07/17/2023 10:00	Surveyed Jobless Rate	Jun	5.20%	--	5.20%	--

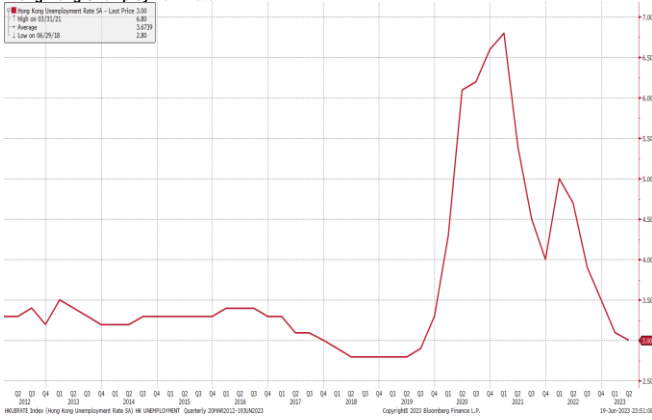
Hong Kong GDP Q on Q



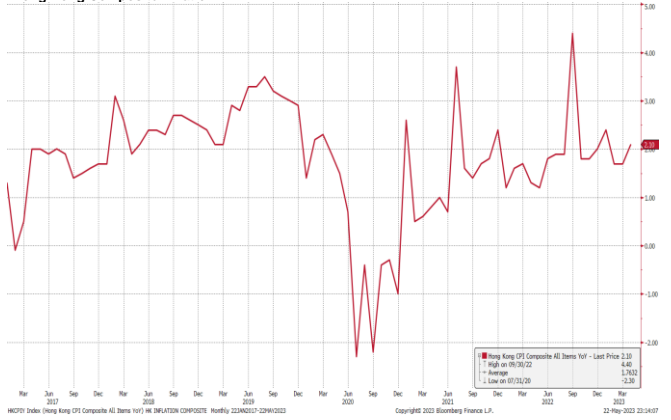
Hong Kong Base Interest Rate



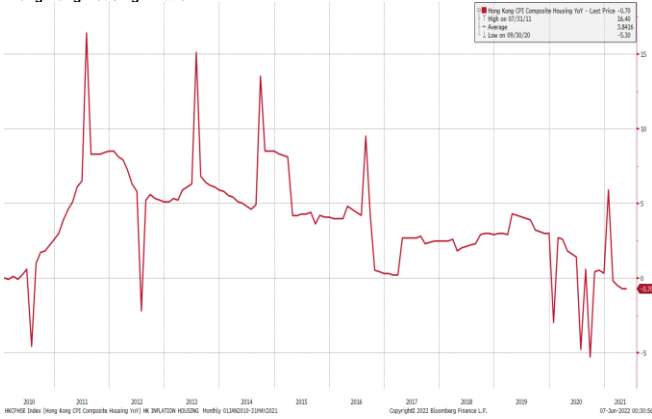
Hong Kong Unemployment Rate



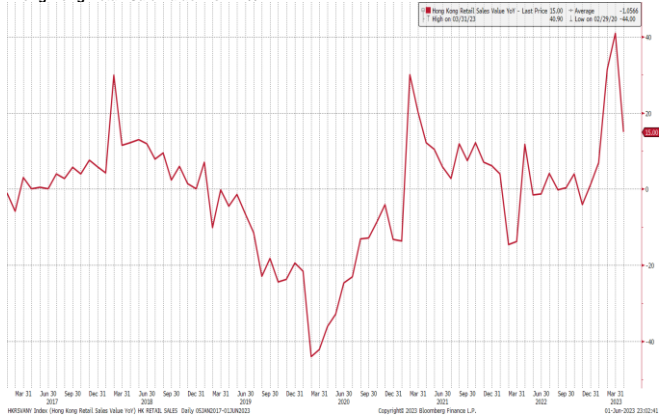
Hong Kong Composite Inflation



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.