

Fundamentals:

Hong Kong stocks slipped for a third day as investors turned bearish on China and more analysts downgraded the nation's growth outlook amid policy disappointment. Sunny Optical crashed 13.7 per cent on profit warning.

The Hang Seng Index fell 0.1 per cent to 18,928.02 to a one-week low on Thursday, reversing a rally of as much as 1.4 per cent. The Tech Index also surrendered gain, falling 1.2 per cent. The Shanghai Composite Index dropped 0.9 per cent.

Alibaba Group weakened 1.5 per cent to HK\$89, Baidu lost 1.9 per cent to HK\$139.40, while NetEase tumbled 2.8 per cent to HK\$158.50. Casino operator Sands China dropped 1.4 per cent to HK\$27.75 while peer Galaxy Entertainment weakened 0.2 per cent to HK\$53.70.

Sunny Optical sank as much as 15 per cent to HK\$66.30, the most since August 2018, before closing at HK\$67.35. The company said first-half profit likely shrank by as much as 70 per cent from a year earlier to 407.4 million yuan (US\$56.4 million). It makes smartphone parts for Chinese brands including Huawei, Oppo and Vivo.

Most money managers in Asia are not convinced about China's outlook and believe Chinese stocks could re-test the 11-year low seen in October last year, the US bank said in its July survey. Asian funds turned net underweight on China for the first time this year, it showed.

Hong Kong stocks rose earlier, after China said it would optimise a stable, fair, transparent, and predictable development environment for the private sector and fully unleash their vitality and potential, according to an official statement on Wednesday.

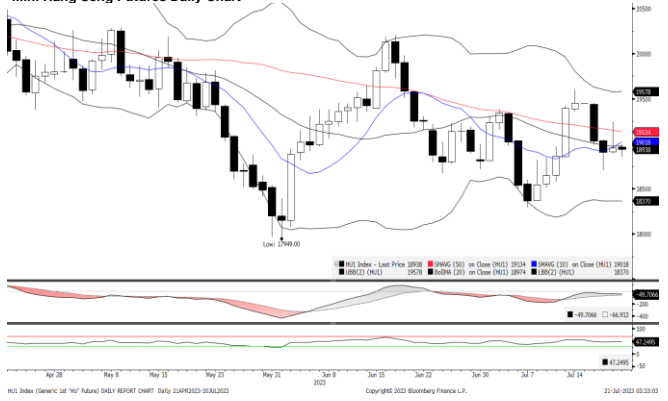
The city's stock benchmark has risen 3.1 per cent since July 7, when China wrapped up a years-long crackdown on the nation's internet-platform companies and handed down US\$1 billion of fines on Ant Group and Tencent units. The recovery has been punctuated by concerns over China's lack of forceful stimulus.

Two stocks debuted on Thursday. Shanghai Chempsec Corporation jumped 38.6 per cent to 12 yuan, while Shenzhen Intelligent Precision surged 116.8 per cent to 86.01 yuan.

Major Asian markets were mixed. The Kospi Index in Korea declined 0.3 per cent, the Nikkei 225 Index in Japan retreated 1.2 per cent, while the S&P/ASX 200 Index in Australia was little changed.

(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 JUL 23	46	18954	19248	18898
H. SENG FUT AUG 23	51	18999	19268	18943
H. SENG FUT SEP 23	47	18992	19288	18950
H. SENG FUT DEC 23	46	18954	19248	18898
MINI H. SENG FUT JUL 23	46	18954	19248	18897
MINI H. SENG FUT AUG 23	51	18999	19282	18942
MINI H. SENG FUT SEP 23	47	18992	19281	18943
MINI H. SENG FUT DEC 23	46	18954	19248	18897
HSCEI FUT JUL 23	2	6373	6499	6357
HSCEI FUT AUG 23	6	6403	6525	6386
HSCEI FUT SEP 23	6	6400	6495	6384
HSCEI FUT DEC 23	2	6373	6499	6357
MINI HSCEI FUT JUL 23	2	6373	6499	6356
MINI HSCEI FUT AUG 23	6	6403	6525	6387
MINI HSCEI FUT SEP 23	6	6400	6523	6390
MINI HSCEI FUT DEC 23	2	6373	6499	6356

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	77.4	-1.1	78.45	76.9
**Tencent Holdings Ltd	332.8	-0.2	341.8	330.6
*HSBC Holdings PLC	63.8	0.55	63.85	63.25
**China Construction Bank Corp	4.31	0.02	4.38	4.3
**Ping An Insurance Group	49.9	-0.35	50.95	49.8
**Meituan	126.7	-1	131.9	126.2
*Hong Kong Exchanges & Clearing Ltd	294.6	-1.2	299.6	293.2
**Alibaba Group Holdings Ltd	89.5	-0.85	92.15	89.2
**Xiaomi Corp	11.06	-0.1	11.38	11.04
**ICBC	3.61	0.02	3.66	3.6

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	40.45	0.4	41.75	40
**China Mobile Ltd	64.3	0.1	65.15	64.2
**Bank of China Ltd	2.75	0.01	2.79	2.74
*Techtronic Industries Co Ltd	88.05	0.6	89.2	88
*CK Hutchison Holdings Ltd	47.2	0.2	47.6	46.85
*Link REIT	43.9	0.75	44.3	43.15
*CLP Holding Ltd	61.3	0.45	61.45	60.85
**Geely Automobile Holdings Ltd	9.63	-0.06	9.83	9.6
**CNOOC Ltd	12.26	0	12.36	12.16
**ANTA Sports Products Ltd	82.9	-0.05	85.3	82.55

Global Equity Indices	Close	Change	High	Low
Hang Seng	18928.02	-24.29	19215.7	18888.76
HSCEI	6364.12	-17.82	6491.17	6349.77
Shanghai Comp Index	3169.52	-29.314	3209.06	3165.674
Nikkei 225	32490.5	-405.51	32861	32462.86
KOSPI	2600.23	-8.01	2611.34	2589.29
S&P/ASX200	7325.05	1.327	7383.3	7322.9
DJIA	35225.2	163.97	35372.8	35091.98
S&P 500	4534.87	-30.85	4564.74	4527.56
NASDAQ	14063.3	-294.71	14309.9	14030.63
DAX	16204.2	95.29	16211.4	16050.98
CAC	7384.91	0.79	7391.45	7301.12
FTSE100	7646.05	57.85	7661.87	7585.85

Technical Analysis

Mini Hang Seng

1st Resistance:	19238	2nd Resistance:	19523
1st Support:	18670	2nd Support:	18385
MACD:	-45.457		
MACD DIFF:	25.8016		
RSI:	47.5394		

Mini Hang Seng China Enterprise

1st Resistance:	6469	2nd Resistance:	6564
1st Support:	6277	2nd Support:	6182
MACD:	-26.771		
MACD DIFF:	5.040		
RSI:	45.7973		

Strategy:

Mini Hang Seng:

Long: Profit target:	18670	18856	18576	Long: Profit target:	18385	18569	18293
Stop-loss:				Stop-loss:			
Short: Profit target:	19238	19046	19335	Short: Profit target:	19523	19327	19620
Stop-loss:				Stop-loss:			

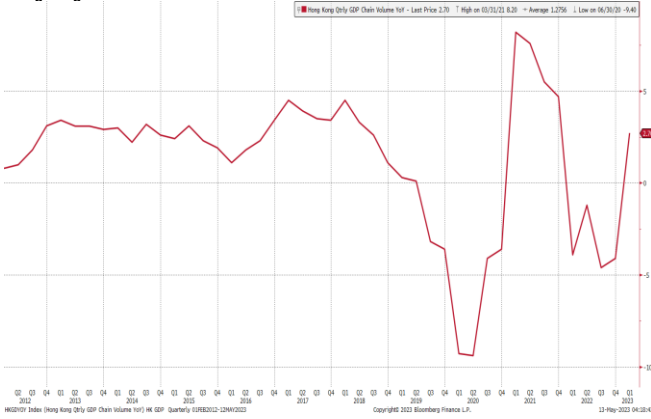
Mini Hang Seng China Enterprise:

Long: Profit target:	6277	6340	6246	Long: Profit target:	6182	6244	6151
Stop-loss:				Stop-loss:			
Short: Profit target:	6469	6404	6501	Short: Profit target:	6564	6499	6597
Stop-loss:				Stop-loss:			

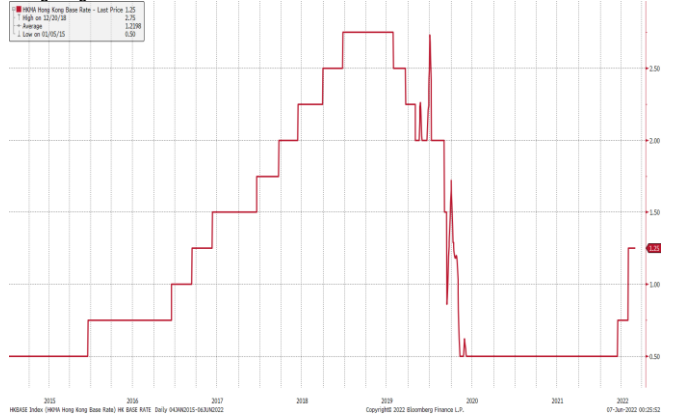
Hong Kong Economic Releases	Period	Survey	Actual	Prior	Revised	
07/20/2023 16:30	CPI Composite YoY	Jun	1.90%	1.90%	2.00%	--
07/25/2023 16:30	Exports YoY	Jun	--	--	-15.60%	--
07/25/2023 16:30	Imports YoY	Jun	--	--	-16.70%	--
07/25/2023 16:30	Trade Balance HKD	Jun	--	--	-26.4b	--

China Economic Releases	Period	Survey	Actual	Prior	Revised	
07/18/2023 07:21	FDI YTD YoY CNY	Jun	--	2.70%	0.10%	--
07/20/2023 09:00	Swift Global Payments CNY	Jun	--	--	2.54%	--
07/20/2023 09:15	5-Year Loan Prime Rate	Jul-20	4.20%	--	4.20%	--
07/20/2023 09:15	1-Year Loan Prime Rate	Jul-20	3.55%	--	3.55%	--
07/21/2023	FX Net Settlement - Clients CNY	Jun	--	--	29.1b	--
07/25/2023 10:00	Bloomberg July China Economic Survey					

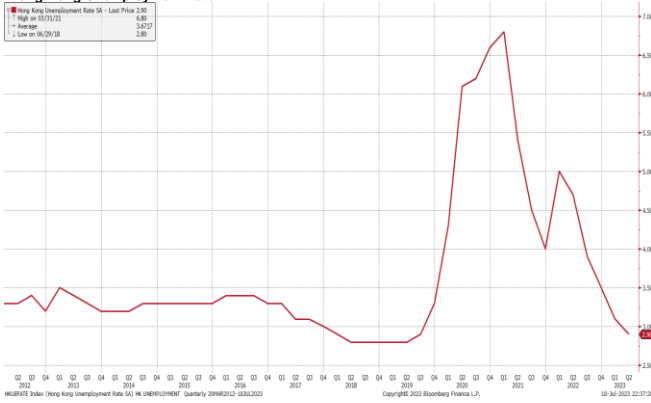
Hong Kong GDP Q on Q



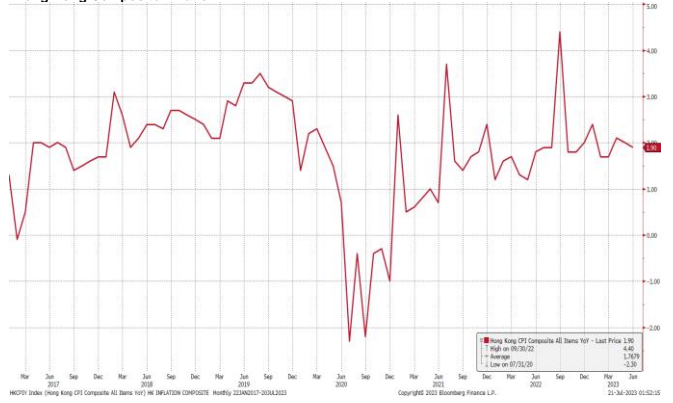
Hong Kong Base Interest Rate



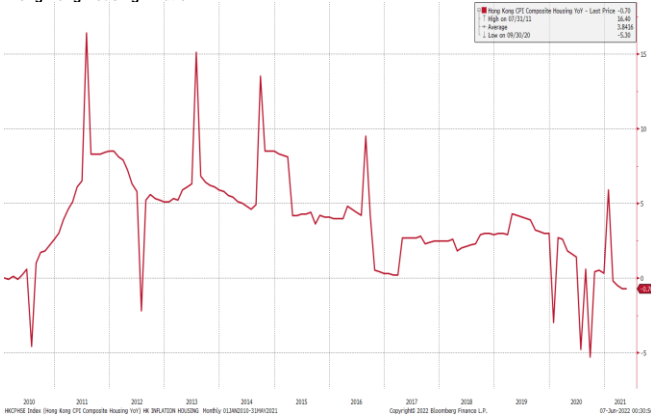
Hong Kong Unemployment Rate



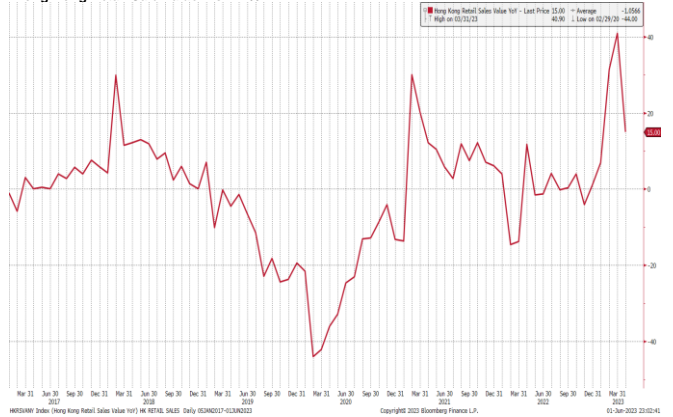
Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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