

Fundamentals:

Hong Kong stocks slumped to a nine-month low as disappointment that the latest measures unveiled by financial regulators to shore up the economy and the equity markets fell short of expectations.

The Hang Seng Index fell 1.8 per cent to 17,623.29 at the close, the lowest level since November 28 again. The Hang Seng Tech Index dropped 2.1 per cent and the Shanghai Composite Index retreated 1.2 per cent.

Among the biggest losers were shipping company Orient Overseas International, which tumbled 5.6 per cent to HK\$113.90 after announcing that first-half profit decreased 80 per cent from a year earlier, and Xinyi Solar Holdings which sank 5.4 per cent to HK\$6.51.

China Life Insurance lost 4 per cent to HK\$11.12, and Ping An Insurance was down 3.5 per cent to HK\$43.85.

Tencent Holdings shed 2.2 per cent to HK\$318 and Alibaba Group Holding retreated 1.5 per cent to HK\$85.70. Baidu sank 3.3 per cent to HK\$121.90 before its earnings result due Tuesday.

In the latest move to bolster sentiment, the China Securities Regulatory Commission (CSRC) said late on Friday that it would help US-traded companies list in Hong Kong, refine fundraising procedures and enhance cross-border investment channels. However, it did not answer calls to cut the stamp duty on shares and rejected a call to resume the practice of allowing stocks to be sold on the same day they are bought.

China's central bank, together with the CSRC and the National Financial Regulatory Administration, also pledged to boost credit support to the economy and the property sector, without giving more details, according to a statement on Sunday. Meanwhile, China also lowered its one-year loan prime rate, a benchmark borrowing cost, by 10 basis points to 3.45 per cent on Monday, while leaving the five-year one unchanged. The cut fell in line with the expectations of economists.

The Hang Seng gauge tumbled by almost 6 per cent last week for the worst sell-off in five months, in a new bout of unwinding positions by stocks traders. A lack of forceful stimulus measures coming out of the July Politburo meeting, and persistent slumping home sales, have dimmed the growth outlook while signs have emerged that the liquidity crunch has spilled over to the wealth-management industry, with Zhongrong International Trust and its shareholder Zhongzhi Group missing payments.

China's stocks will settle in a lower trading band than previously expected because of the lack of more vigorous measures to stem the contagion risk from the housing market, Goldman Sachs said in a report on Monday. The US investment bank cut its earnings growth estimate for the companies on the MSCI China Index and the 12-month price target for the stock gauge.

In the latest quarterly review of the Hang Seng Index announced by its compiler on Friday, Sinopharm Group will be added to the benchmark while troubled property giant Country Garden Holdings will be removed, with the changes effective from September 4. Sinopharm added 2.4 per cent to HK\$21.70 and Country Garden fell 2.6 per cent to HK\$0.74.

Jiangsu Xiechang Electronic Technology, which makes motion control products and power chips, jumped 93 per cent to 100.18 yuan on its trading debut in Shenzhen.

(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 AUG 23	-285	17616	17906	17575
H. SENG FUT SEP 23	-283	17579	17874	17540
H. SENG FUT DEC 23	-302	17747	18049	17717
H. SENG FUT MAR 24	-285	17616	17906	17575
MINI H. SENG FUT AUG 23	-285	17616	17914	17574
MINI H. SENG FUT SEP 23	-283	17579	17870	17535
MINI H. SENG FUT DEC 23	-302	17747	18029	17709
MINI H. SENG FUT MAR 24	-285	17616	17914	17574
HSCEI FUT AUG 23	-103	6032	6136	6016
HSCEI FUT SEP 23	-100	6019	6119	6000
HSCEI FUT DEC 23	-102	6100	6200	6093
HSCEI FUT MAR 24	-103	6032	6136	6016
MINI HSCEI FUT AUG 23	-103	6032	6137	6017
MINI HSCEI FUT SEP 23	-100	6019	6118	6001
MINI HSCEI FUT DEC 23	-102	6100	6206	6083
MINI HSCEI FUT MAR 24	-103	6032	6137	6017

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	67.4	-2.25	69.5	66.85
**Tencent Holdings Ltd	318	-7	325.8	318
**HSBC Holdings PLC	58.5	-0.15	58.75	57.95
**China Construction Bank Corp	4.02	-0.06	4.07	4.01
**Ping An Insurance Group	43.85	-1.6	45	43.5
**Meituan	127	-2.9	129.9	125.6
*Hong Kong Exchanges & Clearing Ltd	282.4	-10	290.2	281.4
**Alibaba Group Holdings Ltd	85.7	-1.3	87.55	85.15
**Xiaomi Corp	11.32	-0.42	11.66	11.28
**ICBC	3.36	-0.05	3.4	3.35

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	39.8	-0.25	40.4	39.25
**China Mobile Ltd	63.65	-0.55	64.8	63.4
**Bank of China Ltd	2.6	-0.04	2.64	2.6
*Techtronic Industries Co Ltd	78.6	0.05	79.3	77.45
*CK Hutchison Holdings Ltd	40.55	-0.6	41.3	40.25
*Link REIT	37.9	-0.4	38.65	37.9
*CLP Holding Ltd	58.55	-0.25	59.05	58.15
**Geely Automobile Holdings Ltd	9.24	-0.22	9.4	9.16
**CNOOC Ltd	12.7	-0.06	12.86	12.62
**ANTA Sports Products Ltd	78.45	-0.7	79.2	77.2

Global Equity Indices	Close	Change	High	Low
Hang Seng	17623.29	-327.56	17867.7	17587.38
HSCEI	6030.64	-116.35	6136.27	6016.22
Shanghai Comp Index	3092.98	-38.975	3134.96	3092.978
Nikkei 225	31565.6	114.88	31758.7	31409.86
KOSPI	2508.8	4.3	2524.41	2505.59
S&P/ASX200	7115.47	-32.592	7148.1	7115.5
DJIA	34463.7	-36.97	34571	34248.46
S&P 500	4399.77	30.06	4407.55	4360.3
NASDAQ	13497.6	206.81	13516.9	13325.59
DAX	15603.3	29.02	15710.2	15571.82
CAC	7198.06	0.47	7259.32	7165.07
FTSE100	7257.82	-4.61	7315.97	7250.88

Technical Analysis

Mini Hang Seng

1st Resistance:	17880	2nd Resistance:	18144
1st Support:	17352	2nd Support:	17088
MACD:	-325.268		
MACD DIFF:	-195.601		
RSI:	27.4558		

Mini Hang Seng China Enterprise

1st Resistance:	6122	2nd Resistance:	6213
1st Support:	5942	2nd Support:	5851
MACD:	-93.129		
MACD DIFF:	-71.378		
RSI:	31.1184		

Strategy:

Mini Hang Seng:

Long: Profit target:	17352	17525	17265	Long: Profit target:	17088	17258	17002
Stop-loss:				Stop-loss:			
Short: Profit target:	17880	17701	17970	Short: Profit target:	18144	17963	18235
Stop-loss:				Stop-loss:			

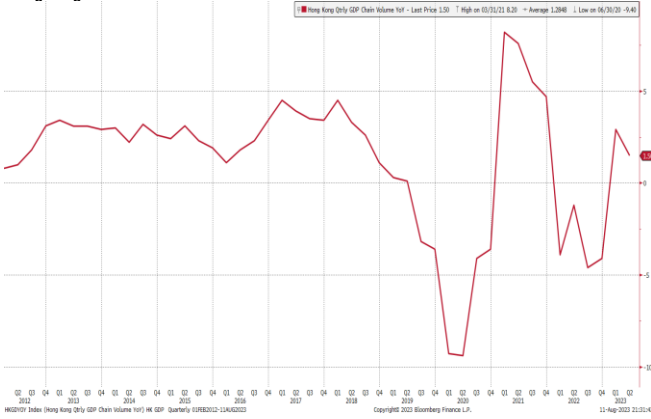
Mini Hang Seng China Enterprise:

Long: Profit target:	5942	6001	5912	Long: Profit target:	5851	5910	5822
Stop-loss:				Stop-loss:			
Short: Profit target:	6122	6061	6153	Short: Profit target:	6213	6151	6244
Stop-loss:				Stop-loss:			

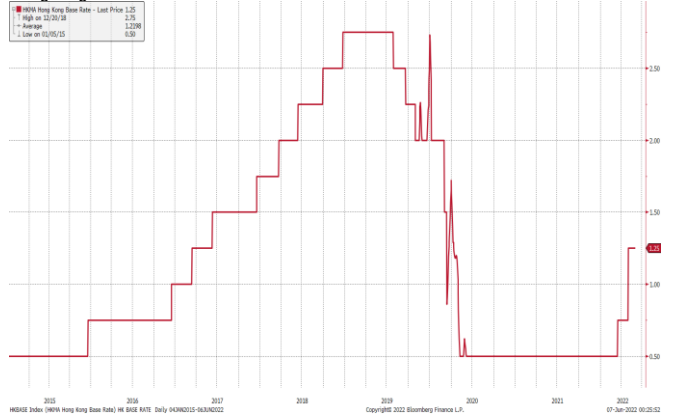
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
08/21/2023 16:30	CPI Composite YoY	Jul	1.90%	1.80%	1.90%	--
08/24/2023 16:30	Exports YoY	Jul	-8.80%	--	-11.40%	--
08/24/2023 16:30	Imports YoY	Jul	-5.90%	--	-12.30%	--
08/24/2023 16:30	Trade Balance HKD	Jul	-41.3b	--	-56.6b	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
08/21/2023 09:15	5-Year Loan Prime Rate	Aug-21	4.05%	4.20%	4.20%	--
08/21/2023 09:15	1-Year Loan Prime Rate	Aug-21	3.40%	3.45%	3.55%	--
08/24/2023 09:00	Swift Global Payments CNY	Jul	--	--	2.77%	--
08/27/2023 09:30	Industrial Profits YoY	Jul	--	--	-8.30%	--
08/27/2023 09:30	Industrial Profits YTD YoY	Jul	--	--	-16.80%	--
08/28/2023 10:00	Bloomberg Aug. China Economic Survey					

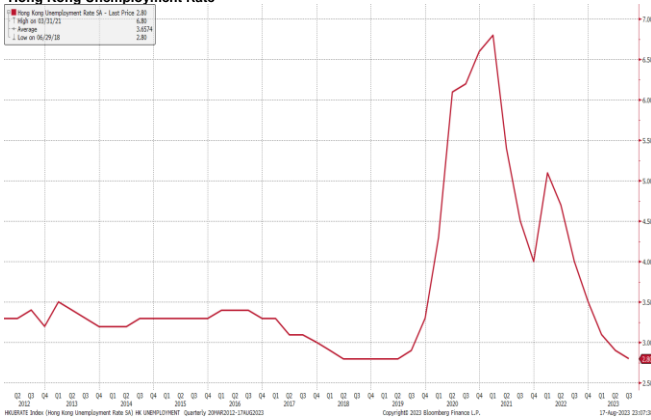
Hong Kong GDP Q on Q



Hong Kong Base Interest Rate



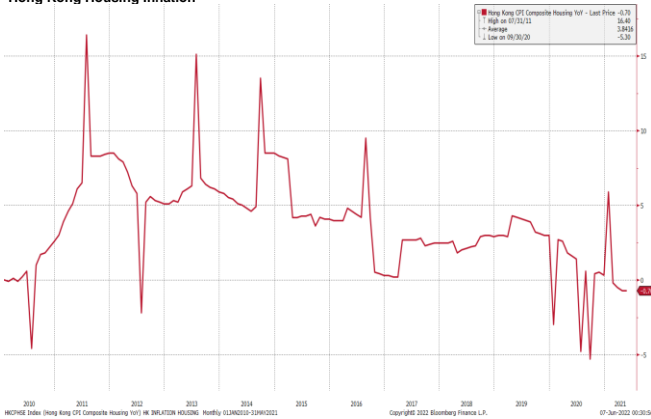
Hong Kong Unemployment Rate



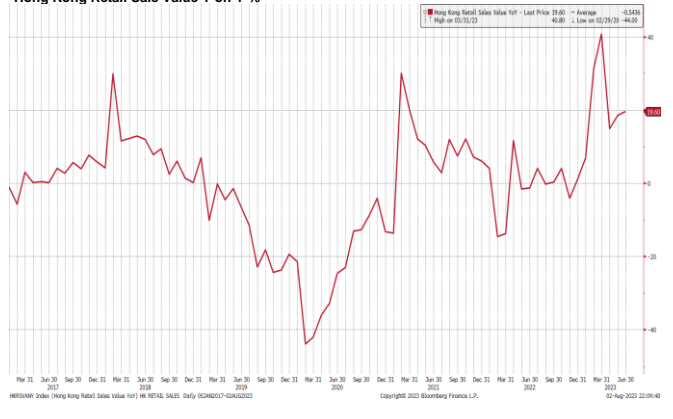
Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

Kenanga Futures Sdn Bhd (353603-X)

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

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