

Fundamentals:

Hong Kong stocks slipped as mainland Chinese funds took advantage of the market rally before the nation's biggest tech companies report their earnings with Tencent signalling a weak trend. The first meeting in a year between Xi Jinping and Joe Biden failed to lift sentiment.

The Hang Seng Index dropped 1.4 per cent to 17,832.82 at the close of Thursday trading after surging 3.9 per cent on Wednesday to a one-month high. The Tech Index lost 1.9 per cent, while the Shanghai Composite Index declined 0.7 per cent.

Alibaba Group tumbled 1.9 per cent to HK\$81.35, NetEase declined 2.4 per cent to HK\$175.70 and Lenovo retreated 2.7 per cent to HK\$9.52 before their report cards later today. Tencent Holdings lost as much as 2 per cent to HK\$316.20 before paring losses, after third-quarter earnings fell 9 per cent from a year earlier.

The city's benchmark index has risen by about 4.2 per cent in November, after a rout in the preceding three months. Even so, the market has struggled to sustain its rebound amid China's stop-start economic recovery, with manufacturing shrinking and deflation deepening, while retail consumption advanced in recent reports.

Mainland investors sold HK\$9.5 billion (US\$1.2 billion) worth of shares in Hong Kong on Wednesday, the most in more than two months, according to Stock Connect data. They took HK\$5.8 billion off the table this week, while foreign investors offloaded another 2.1 billion yuan (US\$290 million) worth of mainland stocks to extend the sell-off since end-July.

"The downtrend for Hong Kong markets this year is not something that could be turned around in short term" amid China's slowing growth and higher US rates, Angus Chan, analyst at UBS, said at a briefing on Thursday. Local stocks are likely to be range for rest of the year, with little catalysts ahead, he added.

China's economic slowdown has forced analysts to repeatedly trim their earnings forecasts. Downgrades have outpaced upgrades this year by almost four to one for companies listed in Shanghai and Shenzhen, according to data compiled by Bank of America.

Meanwhile, President Xi and his US counterpart Biden pledged to work together on artificial intelligence and military communications, while agreeing to maintain the status quo on Taiwan, a major flashpoint in US-China conflicts. Still, it did not help that Biden called Xi a dictator at a media conference in San Francisco, risking a backlash.

Elsewhere, Zhejiang XiaSha Precision Manufacturing jumped 106 per cent to 110.49 yuan on its first day of trading in Shenzhen.

Asian stocks erased gains. Japan's Nikkei 225 slumped 0.3 per cent, while Australia's S&P/ASX 200 declined 0.7 per cent and South Korea's Kospi 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 NOV 23 | -275 | 17842 | 18429 | 17737 |
| H. SENG FUT DEC 23 | -274 | 17926 | 18506 | 17830 |
| H. SENG FUT MAR 24 | -278 | 18052 | 18632 | 17960 |
| H. SENG FUT JUN 24 | -278 | 18027 | 18100 | 17945 |
| MINI H. SENG FUT NOV 23 | -275 | 17842 | 18430 | 17738 |
| MINI H. SENG FUT DEC 23 | -274 | 17926 | 18512 | 17830 |
| MINI H. SENG FUT MAR 24 | -278 | 18052 | 18640 | 17958 |
| MINI H. SENG FUT JUN 24 | -278 | 18027 | 18600 | 17930 |
| HSCEI FUT NOV 23 | -102 | 6123 | 6352 | 6088 |
| HSCEI FUT DEC 23 | -99 | 6158 | 6380 | 6123 |
| HSCEI FUT MAR 24 | -99 | 6252 | 6477 | 6244 |
| HSCEI FUT JUN 24 | -104 | 6262 | 6308 | 6256 |
| MINI HSCEI FUT NOV 23 | -102 | 6123 | 6351 | 6088 |
| MINI HSCEI FUT DEC 23 | -99 | 6158 | 6382 | 6122 |
| MINI HSCEI FUT MAR 24 | -99 | 6252 | 6479 | 6220 |
| MINI HSCEI FUT JUN 24 | -104 | 6262 | 6448 | 6230 |

| Major HSI Constituent Stocks | Close | Change | High | Low |
|-------------------------------------|-------|--------|-------|-------|
| *Alia Group Ltd | 72.65 | -1.15 | 73.55 | 71.9 |
| **Tencent Holdings Ltd | 324.8 | 2.2 | 330 | 316.2 |
| *HSBC Holdings PLC | 59.4 | -0.5 | 60 | 59.15 |
| **China Construction Bank Corp | 4.59 | -0.04 | 4.65 | 4.56 |
| **Ping An Insurance Group | 39 | -0.55 | 39.6 | 38.5 |
| **Meituan | 111.7 | -1.6 | 114.8 | 110 |
| *Hong Kong Exchanges & Clearing Ltd | 291.6 | -3.4 | 296.4 | 289 |
| **Alibaba Group Holdings Ltd | 81.35 | -1.85 | 84.2 | 81 |
| **Xiaomi Corp | 15.7 | -1.1 | 16.98 | 15.54 |
| **ICBC | 3.82 | -0.04 | 3.87 | 3.79 |

| Major HSCEI Constituent Stocks | Close | Change | High | Low |
|---------------------------------|-------|--------|-------|-------|
| *Wuxi Biologics Cayman Inc | 47.75 | -2.95 | 50.9 | 46.8 |
| **China Mobile Ltd | 63.3 | -0.1 | 63.95 | 62.75 |
| **Bank of China Ltd | 2.86 | -0.02 | 2.9 | 2.83 |
| *Techtronic Industries Co Ltd | 81.75 | 0 | 82.15 | 80.6 |
| *CK Hutchison Holdings Ltd | 40.3 | -0.55 | 40.85 | 40.1 |
| *Link REIT | 40.35 | -0.6 | 41.3 | 40.2 |
| *CLP Holding Ltd | 59.9 | -0.2 | 60.05 | 59.5 |
| **Geely Automobile Holdings Ltd | 9.55 | -0.14 | 9.76 | 9.49 |
| **CNOOC Ltd | 13 | -0.18 | 13.22 | 12.94 |
| **ANTA Sports Products Ltd | 85.05 | -3.5 | 89.45 | 84.55 |

| Global Equity Indices | Close | Change | High | Low |
|-----------------------|----------|---------|---------|----------|
| Hang Seng | 17832.82 | -246.18 | 18174.7 | 17722.86 |
| HSCEI | 6116.7 | -87.52 | 6252.26 | 6079.11 |
| Shanghai Comp Index | 3050.93 | -21.909 | 3071.45 | 3050.926 |
| Nikkei 225 | 33424.4 | -95.29 | 33614.1 | 33233.84 |
| KOSPI | 2488.18 | 1.51 | 2491.98 | 2472.69 |
| S&P/ASX200 | 7058.42 | -47.485 | 7109.8 | 7050.1 |
| DJIA | 34827.2 | -164.05 | 35022.5 | 34818.03 |
| S&P 500 | 4487.72 | -5.16 | 4511.99 | 4487.83 |
| NASDAQ | 14077.2 | -26.67 | 14130.5 | 14033.79 |
| DAX | 15786.6 | 38.44 | 15862.1 | 15783.51 |
| CAC | 7168.4 | -0.57 | 7210.01 | 7168.4 |
| FTSE100 | 7410.97 | -75.94 | 7492.84 | 7409.4 |

Technical Analysis

Mini Hang Seng

| | | | |
|-----------------|---------|-----------------|-------|
| 1st Resistance: | 18110 | 2nd Resistance: | 18377 |
| 1st Support: | 17574 | 2nd Support: | 17307 |
| MACD: | 29.478 | | |
| MACD DIFF: | 70.2525 | | |
| RSI: | 54.3089 | | |

Mini Hang Seng China Enterprise

| | | | |
|-----------------|---------|-----------------|------|
| 1st Resistance: | 6215 | 2nd Resistance: | 6307 |
| 1st Support: | 6031 | 2nd Support: | 5939 |
| MACD: | 9.905 | | |
| MACD DIFF: | 23.636 | | |
| RSI: | 53.5817 | | |

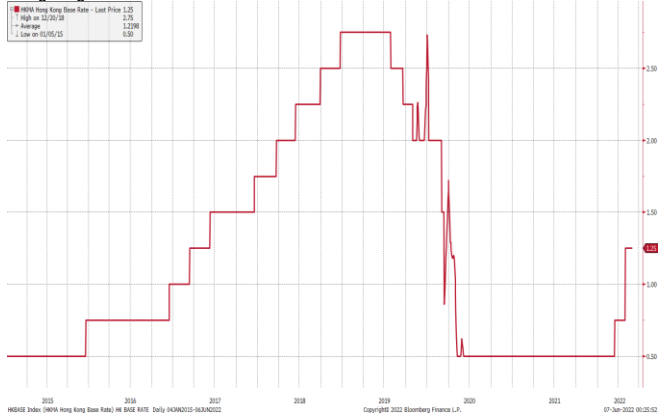
| Hong Kong Economic Releases | | Period | Survey | Actual | Prior | Revised |
|-----------------------------|----------------------|--------|--------|--------|-------|---------|
| 11/10/2023 16:30 | GDP YoY | 3Q F | 4.10% | 4.10% | 4.10% | -- |
| 11/10/2023 16:30 | GDP SA QoQ | 3Q F | 0.10% | 0.10% | 0.10% | -- |
| 11/16/2023 16:30 | Unemployment Rate SA | Oct | 2.80% | 2.90% | 2.80% | -- |

| China Economic Releases | | Period | Survey | Actual | Prior | Revised |
|-------------------------|----------------------|--------|--------|--------|---------|---------|
| 11/13/2023 18:00 | Money Supply M2 YoY | Oct | 10.30% | 10.30% | 10.30% | -- |
| 11/13/2023 18:00 | Money Supply M0 YoY | Oct | -- | 10.20% | 10.70% | -- |
| 11/13/2023 18:00 | New Yuan Loans CNY | Oct | 655.0b | 738.4b | 2310.0b | 2311.8b |
| 11/13/2023 18:00 | Money Supply M1 YoY | Oct | 2.50% | 1.90% | 2.10% | -- |
| 11/15/2023 10:00 | Retail Sales YoY | Oct | 7.00% | 7.60% | 5.50% | -- |
| 11/15/2023 10:00 | Retail Sales YTD YoY | Oct | 6.90% | 6.90% | 6.80% | -- |

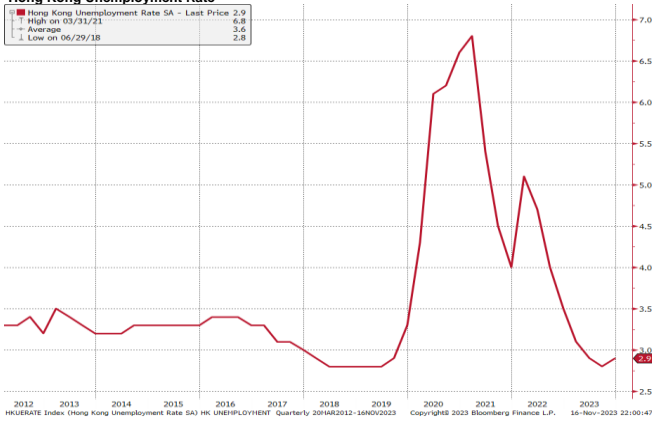
Hong Kong GDP Y on Y



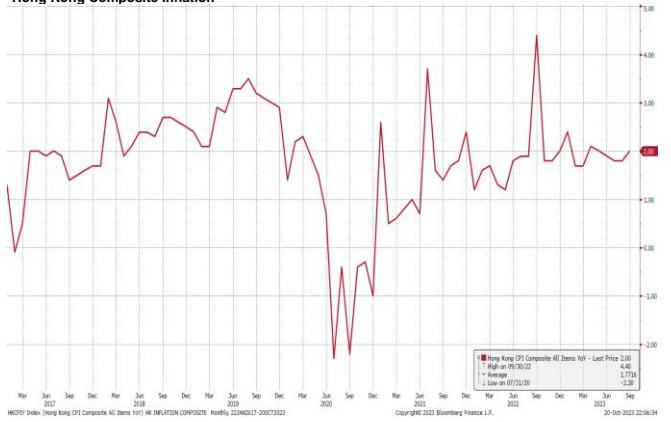
Hong Kong Base Interest Rate



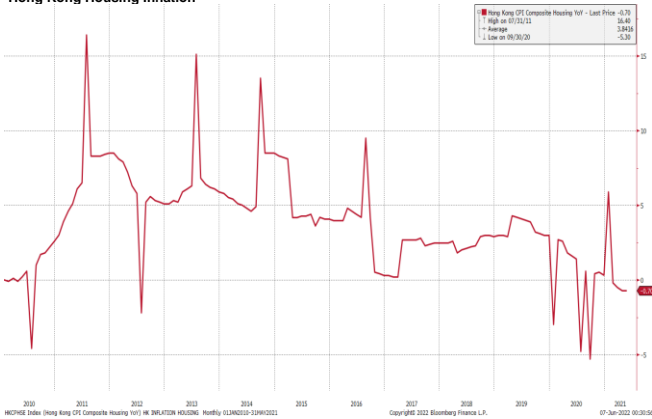
Hong Kong Unemployment Rate



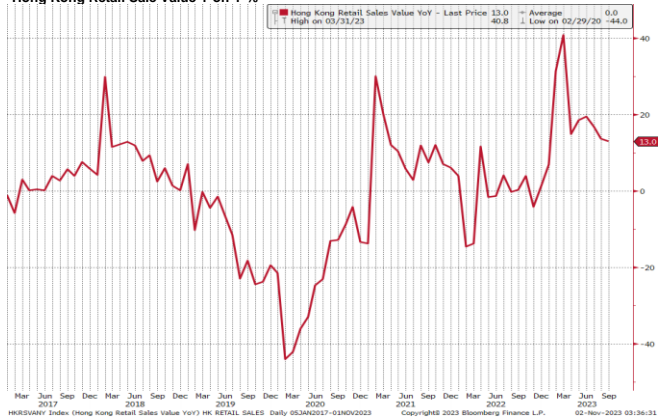
Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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