

Fundamentals:

Hong Kong stocks slumped amid signs foreign investors are trimming their bets on China's biggest companies as Beijing holds off big stimulus while the economy deteriorates. Property developers retreated on dimmer sales outlook as central banks prepare to raise interest rates again.

The Hang Seng Index dropped 2.1 per cent to 18,668.15 at the close of Monday trading, approaching a two-week low. The benchmark declined 1.7 per cent last week. The Tech Index lost 2.2 per cent, while the Shanghai Composite Index advanced 0.1 per cent.

Alibaba Group lost 1.8 per cent to HK\$89.65 and Tencent tumbled 2.4 per cent to HK\$325 while NetEase declined 1.2 per cent to HK\$159.20. Developer Country Garden slumped 8.7 per cent to HK\$1.26 and Longfor plunged 8.3 per cent to HK\$14.82. Hong Kong peer Sun Hung Kai Properties weakened 1.7 per cent to HK\$95.05, and New World Development slipped 1.6 per cent to HK\$18.08.

Foreign investors sold US\$1 billion worth of onshore stocks last week, the most in Asian markets, according to Goldman Sachs. The pullback trimmed the inflows so far this year to US\$28 billion. Mainland Chinese funds wavered in their bets, buying US\$2.1 billion of stocks in Hong Kong on July 19, and sold US\$1.8 billion the next day, the US bank said, citing Stock Connect data.

China's property market has continued to struggle amid weak sales and persistent liquidity crunch. Changes in new home prices in Tier-1 mainland cities in June ranged from a 0.4 per cent gain to a 0.3 per cent drop from May, according to government data. Sales by China's top 100 developers plunged 28 per cent in June from a year earlier, according to data compiled by China Real Estate Information Corp.

The July Politburo meeting is likely to convey an easing bias while continuing to emphasise the "high-quality growth" model, Goldman said in a report. With the leadership placing more focus on security and sustainability than near-term economic growth, "policy stimulus will come in different forms and magnitudes than before," it added.

Elsewhere, economists expect the Federal Reserve to raise its target rate by 25 basis points later this week, with the Hong Kong Monetary Authority obliged to follow by policy default. Lenders in Hong Kong are likely to raise their key lending rates, according to most analysts surveyed by the Post last week.

Two stocks debuted on Monday. Pourin Special Welding Technology sank 15.7 per cent to 40.10 yuan in Shenzhen while Suzhou Agioe Technologies lost 13.7 per cent to 45.82 yuan in Shanghai.

Major Asian markets were mixed. The Nikkei 225 Index in Japan added 1.2 per cent, while the Kospi Index in Korea climbed 0.7 per cent and the S&P/ASX 200 Index in Australia lost 0.1 per cent.

(Source: South China Morning Post)

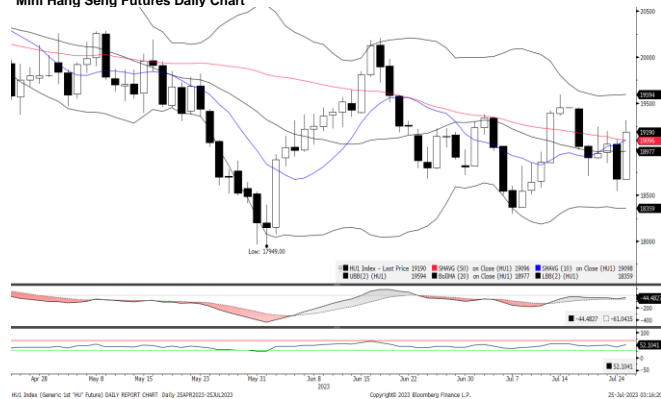
Contracts	Chg	Sett	High	Low
H. SENG FUT JUL 23	-380	18677	19109	18545
H. SENG FUT AUG 23	-402	18697	19150	18570
H. SENG FUT SEP 23	-395	18706	19142	18590
H. SENG FUT DEC 23	-380	18677	19109	18545
MINI H. SENG FUT JUL 23	-380	18677	19109	18545
MINI H. SENG FUT AUG 23	-402	18697	19150	18571
MINI H. SENG FUT SEP 23	-395	18706	19133	18588
MINI H. SENG FUT DEC 23	-380	18677	19109	18545
HSCEI FUT JUL 23	-138	6272	6423	6235
HSCEI FUT AUG 23	-145	6293	6442	6257
HSCEI FUT SEP 23	-143	6291	6444	6270
HSCEI FUT DEC 23	-138	6272	6423	6235
MINI HSCEI FUT JUL 23	-138	6272	6423	6235
MINI HSCEI FUT AUG 23	-145	6293	6446	6258
MINI HSCEI FUT SEP 23	-143	6291	6432	6266
MINI HSCEI FUT DEC 23	-138	6272	6423	6235

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	75.7	-2.9	77.2	75.15
**Tencent Holdings Ltd	325	-8	331	323.8
*HSBC Holdings PLC	63.7	-0.6	64.3	63.5
**China Construction Bank Corp	4.27	-0.07	4.34	4.25
**Ping An Insurance Group	48.8	-1.3	50.05	48.6
**Meituan	125	-3.2	127.4	123.7
*Hong Kong Exchanges & Clearing Ltd	290.2	-6.8	294	286.6
*Alibaba Group Holdings Ltd	89.55	-1.75	90.75	88.75
**Xiaomi Corp	11.02	-0.26	11.16	10.94
**ICBC	3.59	-0.07	3.66	3.58

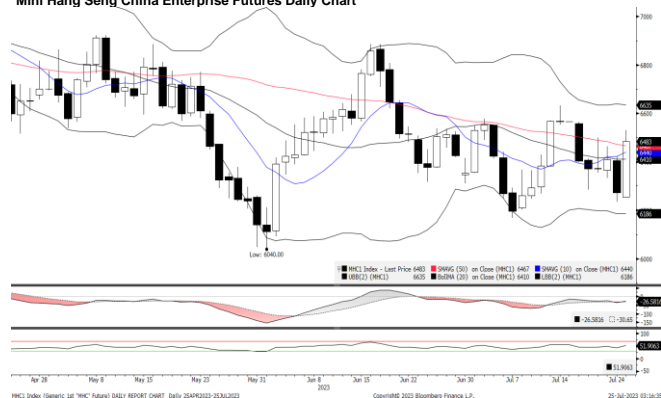
Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	40.55	-0.15	41.75	39.7
**China Mobile Ltd	64.5	-0.45	65.25	64.1
**Bank of China Ltd	2.73	-0.05	2.78	2.72
*Techtronic Industries Co Ltd	83.5	-2.65	85.1	82.35
*CK Hutchison Holdings Ltd	47.2	-0.35	47.45	46.65
*Link REIT	43.2	-0.95	43.7	42.55
*CLP Holding Ltd	61.4	-0.45	61.85	60.7
**Geely Automobile Holdings Ltd	9.37	-0.19	9.49	9.25
**CNOOC Ltd	12.06	-0.18	12.32	12.06
*ANTA Sports Products Ltd	81.65	-2.55	83.7	81.05

Global Equity Indices	Close	Change	High	Low
Hang Seng	18668.15	-407.11	18946.6	18562.12
HSCEI	6271.03	-143.99	6381.9	6239.13
Shanghai Comp Index	3164.16	-3.584	3178.73	3151.125
Nikkei 225	32700.9	396.69	32793.8	32554.46
KOSPI	2628.53	18.77	2636.06	2595.21
S&P/ASX200	7306.41	-7.476	7333.2	7306.4
DJIA	35411.2	183.55	35464	35230.79
S&P 500	4554.64	18.3	4563.41	4541.29
NASDAQ	14058.9	26.06	14110.2	13997.13
DAX	16191	13.73	16208.8	16121.27
CAC	7427.31	-0.07	7435.93	7390.82
FTSE100	7678.59	14.86	7684.97	7633.29

Mini Hang Seng Futures Daily Chart



Mini Hang Seng China Enterprise Futures Daily Chart



Technical Analysis

Mini Hang Seng

1st Resistance:	18957	2nd Resistance:	19237
1st Support:	18397	2nd Support:	18117
MACD:	-66.010		
MACD DIFF:	-0.76368		
RSI:	43.0958		

Mini Hang Seng China Enterprise

1st Resistance:	6366	2nd Resistance:	6460
1st Support:	6178	2nd Support:	6084
MACD:	-35.972		
MACD DIFF:	-4.271		
RSI:	41.5866		

Strategy:

Mini Hang Seng:	Long: Profit target: 18397	Stop-loss: 18581	Long: Profit target: 18117	Stop-loss: 18298
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	Short: Profit target: 18957	Stop-loss: 18768	Short: Profit target: 19237	Stop-loss: 19045
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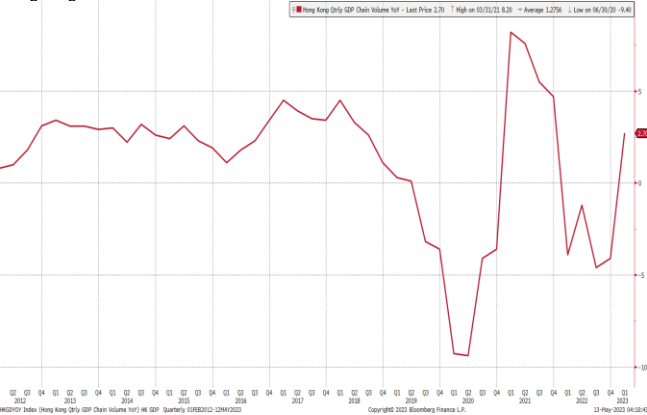
Mini Hang Seng China Enterprise:	Long: Profit target: 6178	Stop-loss: 6240	Long: Profit target: 6084	Stop-loss: 6145
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	Short: Profit target: 6366	Stop-loss: 6302	Short: Profit target: 6460	Stop-loss: 6396
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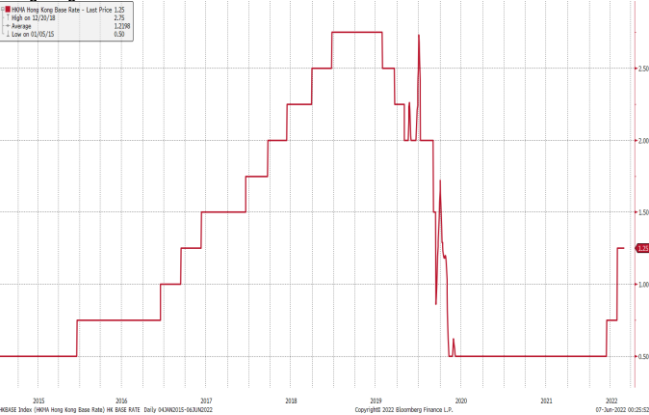
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
07/25/2023 16:30	Exports YoY	Jun	-15.10%	--	-15.60%	--
07/25/2023 16:30	Imports YoY	Jun	-17.50%	--	-16.70%	--
07/25/2023 16:30	Trade Balance HKD	Jun	-44.4b	--	-26.4b	--
07/31/2023 16:30	GDP YoY	2Q A	--	--	2.70%	--
07/31/2023 16:30	GDP SA QoQ	2Q A	--	--	5.30%	--
07/31/2023	Money Supply M3 HKD YoY	Jun	--	--	1.00%	--
07/31/2023	Budget Balance HKD	Jun	--	--	-37.1b	--
07/31/2023	Money Supply M1 HKD YoY	Jun	--	--	-19.90%	--
07/31/2023	Money Supply M2 HKD YoY	Jun	--	--	1.00%	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
07/26/2023	Bloomberg July China Economic Survey					
07/27/2023 09:30	Industrial Profits YoY	Jun	--	--	-12.60%	--
07/27/2023 09:30	Industrial Profits YTD YoY	Jun	--	--	-18.80%	--
07/31/2023 09:30	Composite PMI	Jul	--	--	52.3	--
07/31/2023 09:30	Manufacturing PMI	Jul	--	--	49	--
07/31/2023 09:30	Non-manufacturing PMI	Jul	--	--	53.2	--

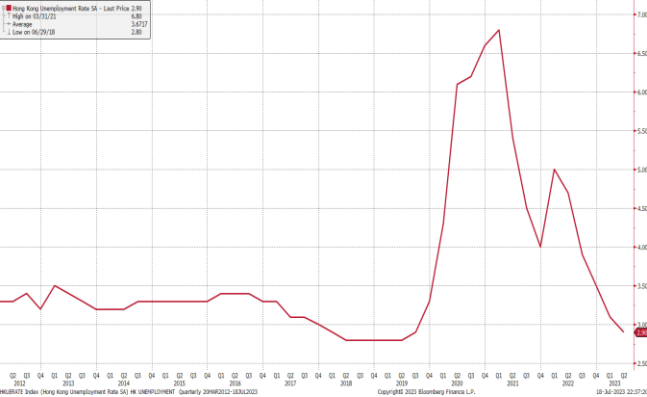
Hong Kong GDP Q on Q



Hong Kong Base Interest Rate



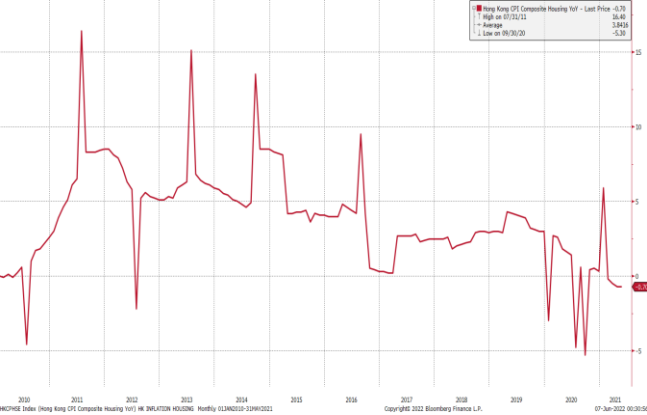
Hong Kong Unemployment Rate



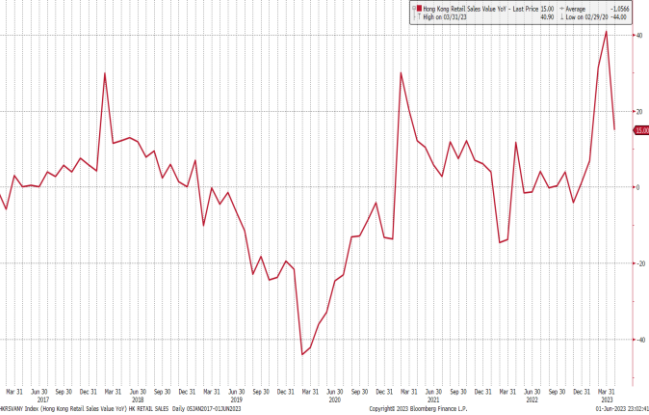
Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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