

Fundamentals:

Hong Kong stocks climbed to a five-week high, tracking overnight gains in US equities, as traders bet the Federal Reserve is almost done with its policy tightening. The odds of a pause in its September meeting surged. Xpeng soared by a record 34 per cent.

The Hang Seng Index gained 1.4 per cent to 19,639.11 at the closing of Thursday trading, the highest since June 29. The Tech Index jumped 2.9 per cent, while the Shanghai Composite Index lost 0.2 per cent.

Alibaba Group rose 1.7 per cent to HK\$95.45, Meituan appreciated 1.3 per cent to HK\$136.60, and JD.com strengthened 1.2 per cent to HK\$151.30. Tencent gained 0.8 per cent to HK\$343.80, NetEase added 1.9 per cent to HK\$170.50 and Trip.com jumped 1.8 per cent to HK\$301.20.

EV maker and Tesla rival Xpeng surged as much as 34.5 per cent to HK\$81.35, a record price-change since its listing in 2021, before closing at HK\$81. Macau casino operator Galaxy Entertainment rose 3.9 per cent to HK\$56.65 while developer Country Garden jumped 11.8 per cent to HK\$1.61.

The Fed raised its key interest rate by a quarter point on Wednesday to a range of 5 per cent to 5.25 per cent, bringing the policy rate to the highest in more than two decades and signalled future action will depend on incoming data. The Hong Kong Monetary Authority also lifted its base rate in lockstep to a level not seen since 2007.

Fed fund futures showed the odds of a pause in September rose to 78 per cent after the decision, versus 1.8 per cent a week ago, according to data compiled by CME Group. Financial conditions have been easing with pricing of rate cuts in 2024, Bank of America said before the decision, although Fed Chair Jerome Powell will not want to sound dovish.

The rally in Xpeng added about HK\$28.3 billion (US\$3.6 billion) to its market value. German carmaker Volkswagen planned to buy a 4.99 per cent stake in the company for about US\$700 million to stem sliding sales in the world's biggest market, its top executive in China said.

The equity purchase plan mirrors an earlier move by the Abu Dhabi government last month to pay US\$738 million for a stake in rival Nio. Rival German carmaker Audi earlier this week also said it will partner with SAIC Motor to establish an EV development platform.

Investors rode several rounds of good news for stock markets this week. China's Politburo on Monday delivered a dovish statement on the state of the economy, spurring bets among investors on more Beijing stimulus to revive growth. Foreign fund inflows into onshore markets surged.

The rate-pause outlook also buoyed Hong Kong banks and property developers. HSBC added 0.5 per cent to HK\$64.95 and Bank of China jumped 1.4 per cent to HK\$2.83. Sun Hung Kai Properties gained 1.6 per cent to HK\$99.05 and New World Development strengthened 2.3 per cent to HK\$19.44.

(Source: South China Morning Post)

Contracts	Chg	Sett	High	Low
H. SENG FUT JUL 23	297	19672	19721	19277
H. SENG FUT AUG 23	323	19730	19765	19310
H. SENG FUT SEP 23	312	19720	19761	19322
H. SENG FUT DEC 23	297	19672	19721	19277
MINI H. SENG FUT JUL 23	297	19672	19722	19276
MINI H. SENG FUT AUG 23	323	19730	19765	19310
MINI H. SENG FUT SEP 23	312	19720	19763	19320
MINI H. SENG FUT DEC 23	297	19672	19722	19276
HSCEI FUT JUL 23	133	6684	6708	6524
HSCEI FUT AUG 23	136	6714	6736	6550
HSCEI FUT SEP 23	131	6705	6729	6630
HSCEI FUT DEC 23	133	6684	6708	6524
MINI HSCEI FUT JUL 23	133	6684	6707	6525
MINI HSCEI FUT AUG 23	136	6714	6735	6551
MINI HSCEI FUT SEP 23	131	6705	6727	6549
MINI HSCEI FUT DEC 23	133	6684	6707	6525

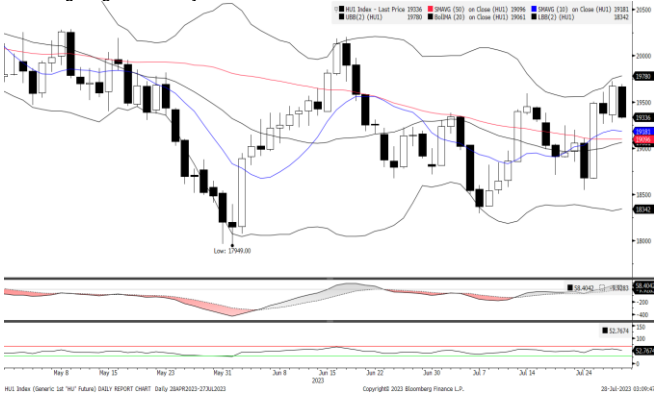
Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	78.2	1.15	78.65	77.4
**Tencent Holdings Ltd	343.8	2.8	346.4	340.4
*HSBC Holdings PLC	64.95	0.3	65	64.7
**China Construction Bank Corp	4.42	0.03	4.47	4.39
**Ping An Insurance Group	53.7	1.3	54.2	52.75
**Meituan	136.6	1.7	138.2	135.7
*Hong Kong Exchanges & Clearing Ltd	308	4	310.8	305.6
**Alibaba Group Holdings Ltd	95.45	1.6	95.7	94.35
**Xiaomi Corp	12.04	0.64	12.12	11.48
**ICBC	3.7	0.05	3.73	3.65

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	41.9	-0.15	42.15	41.4
**China Mobile Ltd	65.2	0.2	65.65	65
**Bank of China Ltd	2.83	0.04	2.84	2.79
*Techtronic Industries Co Ltd	87.45	0.95	87.95	86.3
*CK Hutchison Holdings Ltd	48.55	0.7	48.55	47.75
*Link REIT	44.85	0.8	45	43.95
*CLP Holding Ltd	62.75	0.15	63.05	62.1
**Geely Automobile Holdings Ltd	10.9	0.86	10.96	10.14
**CNOOC Ltd	12.38	0.06	12.48	12.34
**ANTA Sports Products Ltd	87.5	1.5	88.55	85.85

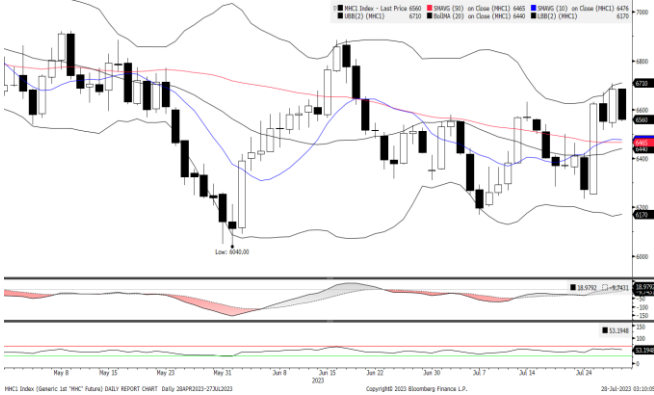
Global Equity Indices	Close	Change	High	Low
Hang Seng	19639.11	273.97	19685.8	19482.47
HSCEI	6670.68	121.49	6696.89	6613.53
Shanghai Comp Index	3216.67	-6.357	3245.6	3210.47
Nikkei 225	32891.2	222.82	32938.6	32503.69
KOSPI	2603.81	11.45	2617.61	2586.36
S&P/ASX200	7455.92	53.911	7472.3	7388
DJIA	35282.7	-237.4	35645.4	35216.58
S&P 500	4537.43	-29.32	4607.07	4528.56
NASDAQ	14050.1	-77.17	14360.2	14006.92
DAX	16406	274.57	16408.8	16131.64
CAC	7465.24	2.05	7477.11	7340.03
FTSE100	7692.76	15.87	7709.66	7662.4

HONG KONG INDEX FUTURES DAILY PREVIEW
Date Prepared : 28/Jul/2023

Mini Hang Seng Futures Daily Chart



Mini Hang Seng China Enterprise Futures Daily Chart



Technical Analysis

Mini Hang Seng

1st Resistance:	19667	2nd Resistance:	20262
1st Support:	19377	2nd Support:	19082
MACD:	50.357		
MACD DIFF:	77.5114		
RSI:	58.3099		

Mini Hang Seng China Enterprise

1st Resistance:	6784	2nd Resistance:	6885
1st Support:	6584	2nd Support:	6483
MACD:	14.023		
MACD DIFF:	31.003		
RSI:	58.4574		

Strategy:

Mini Hang Seng:	Long: Profit target: 19377	Stop-loss: 19571	19280	Long: Profit target: 19082	Stop-loss: 19273	18986
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Short: Profit target: 19967	Stop-loss: 19767	20067	Short: Profit target: 20262	Stop-loss: 20060	20363
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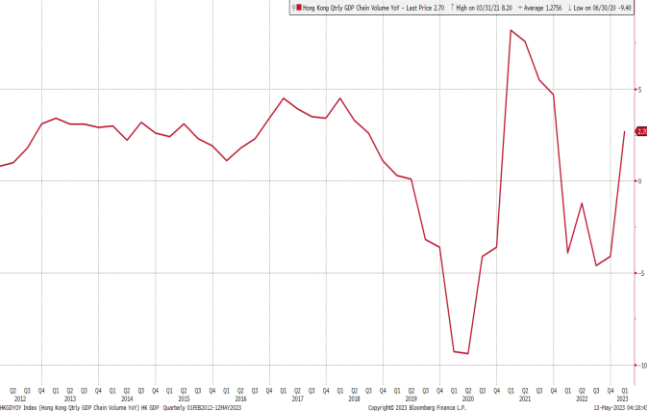
Mini Hang Seng China Enterprise:	Long: Profit target: 6584	Stop-loss: 6650	6551	Long: Profit target: 6483	Stop-loss: 6548	6451
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Short: Profit target: 6784	Stop-loss: 6716	6818	Short: Profit target: 6885	Stop-loss: 6816	6919
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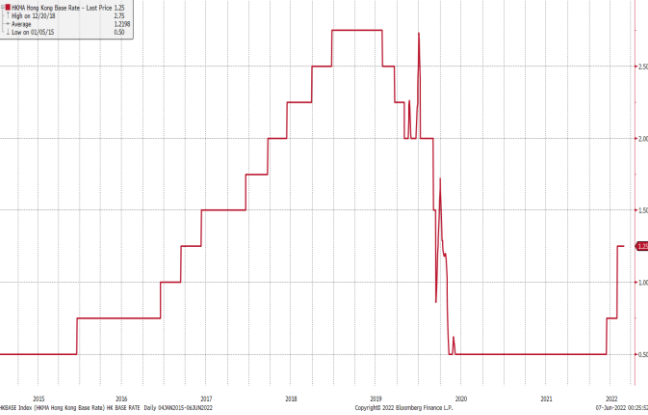
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
07/31/2023 16:30	GDP YoY	2Q A	3.50%	--	2.70%	--
07/31/2023 16:30	GDP SA QoQ	2Q A	--	--	5.30%	--
07/31/2023	Money Supply M3 HKD YoY	Jun	--	--	1.00%	--
07/31/2023	Budget Balance HKD	Jun	--	--	-37.1b	--
07/31/2023	Money Supply M1 HKD YoY	Jun	--	--	-19.90%	--
07/31/2023	Money Supply M2 HKD YoY	Jun	--	--	1.00%	--
08/01/2023 16:30	Retail Sales Value YoY	Jun	--	--	18.40%	--
08/01/2023 16:30	Retail Sales Volume YoY	Jun	--	--	16.50%	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
07/27/2023 09:30	Industrial Profits YoY	Jun	--	-8.30%	-12.60%	--
07/27/2023 09:30	Industrial Profits YTD YoY	Jun	--	-16.80%	-18.80%	--
07/31/2023 09:30	Composite PMI	Jul	--	--	52.3	--
07/31/2023 09:30	Manufacturing PMI	Jul	48.9	--	49	--
07/31/2023 09:30	Non-manufacturing PMI	Jul	53	--	53.2	--
08/01/2023 09:45	Caixin China PMI Mfg	Jul	50.1	--	50.5	--
08/03/2023 09:45	Caixin China PMI Composite	Jul	--	--	52.5	--
08/03/2023 09:45	Caixin China PMI Services	Jul	52.7	--	53.9	--

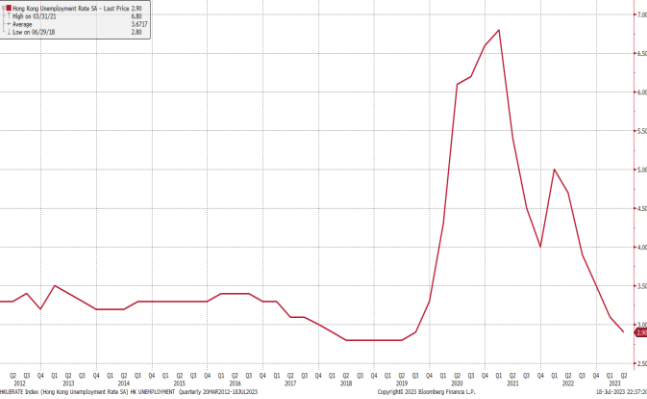
Hong Kong GDP Q on Q



Hong Kong Base Interest Rate



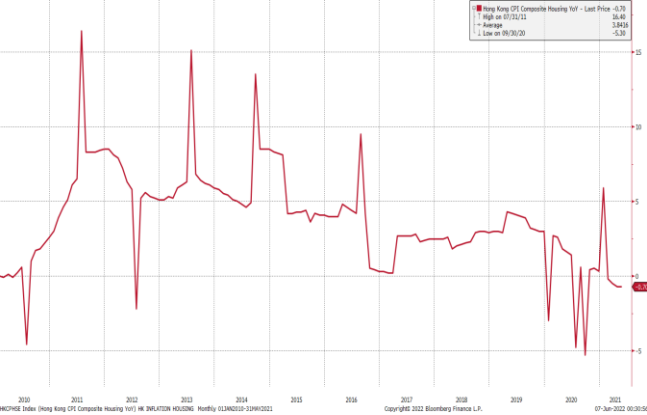
Hong Kong Unemployment Rate



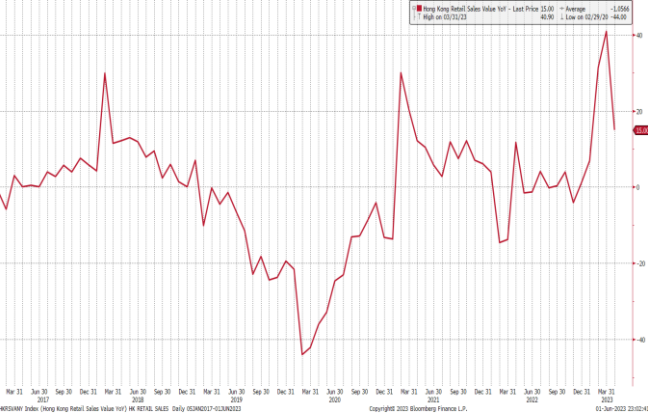
Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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