

Fundamentals:

Hong Kong stocks recorded the biggest quarterly slide since China reopening, after a government report showed Chinese manufacturing contracted in June. A central bank survey showed loan demand fell this quarter, while bankers predicted less accommodative monetary policy in the next three months.

The Hang Seng Index fell 0.1 per cent at 18,916.43 at the close of Friday trading, erasing an earlier advance of 0.6 per cent. The Tech index slipped 0.6 per cent, while the Shanghai Composite Index gained 0.6 per cent. The city's benchmark index has lost 7.3 per cent since March 31, wiping US\$330 billion of market value from its 80 blue-chip members.

Tencent slipped 0.6 per cent to HK\$331.60, and Alibaba Group dropped 1.2 per cent to HK\$81.20 while Baidu slipped 1.3 per cent to HK\$132.80. Macau casino operator Galaxy weakened 1.6 per cent to HK\$49.70, while peer Sands China retreated 0.7 per cent to HK\$26.70.

Limiting losses, EV start-up Xpeng surged 10.4 per cent to HK\$50, while BYD added 0.9 per cent to HK\$250.

China's official PMI Manufacturing Index came in at 49 in June, a third straight month of setback and matching market consensus, the statistics bureau said in Beijing on Friday. The reading was little changed from 48.8 in May and 49.2 in April. A reading below 50 indicates a contraction.

China's measured response to a faltering economic recovery has forced investors to look elsewhere for better returns, notably in India and Japan. Foreign investors have sold 2.6 billion yuan (US\$358 million) worth of mainland stocks this quarter, according to Stock Connect data.

Sportswear maker Li Ning has crashed 31.9 per cent since March 31 to pace losers in Hong Kong, while peer Anta Sports Products slumped 29.8 per cent, as consumer spending failed to inspire during the recent holiday season. Orient Overseas and Country Garden fell by 30 and 28 per cent over the same period, respectively, according to Bloomberg data.

Loan demand fell by about 10 per cent in the second quarter from the preceding three months, while sentiment on monetary policy weakened by 7.9 per cent, according to Goldman Sachs, based on indices published by the People's Bank of China in its latest quarterly survey of domestic bankers.

Elsewhere, five stocks began trading today. Guangdong Mingyang Electric dropped 14.5 per cent to 32.60 yuan in Shenzhen. In Shanghai, CICC Hubei Science Tech Investment lost 6.3 per cent to 2.46 yuan in Shanghai while Anhui XDLK Microsystem surged 75.2 per cent to 46.85 yuan and Wuxi JinYang New Materials dropped 11.3 per cent to 51.33 yuan. Adicon Holdings surged 12 per cent to HK\$13.80 in Hong Kong.

Key Asian markets were mixed. The Nikkei 225 in Japan declined 0.1 per cent, while the Kospi in South Korea gained 0.6 per cent and the S&P/ASX 200 in Australia gained 0.1 per cent.

(Source: South China Morning Post)

Contracts	Chg	Sett	High	Low
H. SENG FUT JUL 23	-14	18807	18997	18715
H. SENG FUT AUG 23	-5	18854	19000	18793
H. SENG FUT SEP 23	-10	18842	18978	18760
H. SENG FUT DEC 23	-14	18807	18997	18715
MINI H. SENG FUT JUL 23	-14	18807	18997	18716
MINI H. SENG FUT AUG 23 #N/A	N/A	18854	19030	18810
MINI H. SENG FUT SEP 23	-10	18842	19009	18747
MINI H. SENG FUT DEC 23	-14	18807	18997	18716
HSCEI FUT JUL 23	7	6353	6414	6311
HSCEI FUT AUG 23	6	6380	6434	6365
HSCEI FUT SEP 23	7	6379	6438	6352
HSCEI FUT DEC 23	7	6353	6414	6311
MINI HSCEI FUT JUL 23	7	6353	6415	6311
MINI HSCEI FUT AUG 23 #N/A	N/A	6380	6438	6361
MINI HSCEI FUT SEP 23	7	6379	6430	6353
MINI HSCEI FUT DEC 23	7	6353	6415	6311

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	79.1	-0.6	80.45	78.5
**Tencent Holdings Ltd	331.6	-2	333.8	329.4
*HSBC Holdings PLC	61	0.15	61.4	60.85
**China Construction Bank Corp	5.07	0.02	5.1	5.04
**Ping An Insurance Group	49.85	-0.1	50.45	49.5
**Meituan	122.3	-2.4	124.4	121.6
*Hong Kong Exchanges & Clearing Ltd	295.2	-3.8	300	295.2
**Alibaba Group Holdings Ltd	81.2	-1	81.95	80.8
**Xiaomi Corp	10.72	-0.14	10.9	10.66
**ICBC	4.18	0.02	4.22	4.16

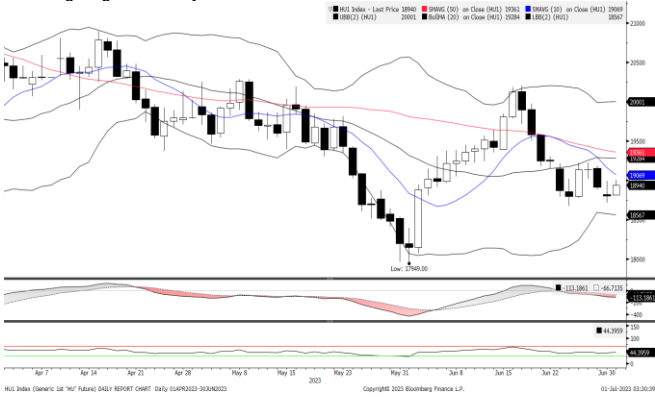
Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	37.55	1.6	38.45	35.45
**China Mobile Ltd	64.05	0.7	64.7	63.2
**Bank of China Ltd	3.14	0.01	3.17	3.14
*Techtronic Industries Co Ltd	85.15	-0.75	86.35	85
*CK Hutchison Holdings Ltd	47.85	0.3	48.2	47.55
*Link REIT	43.5	-0.15	44.15	43.35
*CLP Holding Ltd	60.9	0.05	61.35	60.3
**Geely Automobile Holdings Ltd	9.56	0.26	9.63	9.3
**CNOOC Ltd	11.2	0.06	11.3	11.12
**ANTA Sports Products Ltd	80.05	0.55	81.8	79.15

Global Equity Indices	Close	Change	High	Low
Hang Seng	18916.43	-17.93	19070.1	18838.62
HSCEI	6424.88	-1.71	6474.67	6393.91
Shanghai Comp Index	3202.06	19.681	3212.99	3177.991
Nikkei 225	33189	-45.1	33232.9	32918.77
KOSPI	2564.28	14.26	2571.03	2541.72
S&P/ASX200	7203.3	8.387	7209	7165.7
DJIA	34407.6	285.18	34467.4	34269.92
S&P 500	4450.38	53.94	4458.48	4422.44
NASDAQ	13787.9	196.59	13816.7	13716.16
DAX	16147.9	201.18	16176.6	15978.9
CAC	7400.06	1.19	7419.36	7337.28
FTSE100	7531.53	59.84	7551.59	7471.69

HONG KONG INDEX FUTURES DAILY PREVIEW

Date Prepared : 03/Jul/2023

Mini Hang Seng Futures Daily Chart



Mini Hang Seng China Enterprise Futures Daily Chart



Technical Analysis

Mini Hang Seng

1st Resistance:	19089	2nd Resistance:	19371
1st Support:	18525	2nd Support:	18243
MACD:	-106.290		
MACD DIFF:	-51.4611		
RSI:	41.4597		

Mini Hang Seng China Enterprise

1st Resistance:	6448	2nd Resistance:	6544
1st Support:	6258	2nd Support:	6162
MACD:	-35.430		
MACD DIFF:	-19.081		
RSI:	41.1524		

Strategy:

Mini Hang Seng:	Long: Profit target: 18525	Stop-loss: 18710	Long: Profit target: 18243	Stop-loss: 18432
	18525	18710	18243	18432

	Short: Profit target: 19089	Stop-loss: 18898	Short: Profit target: 19371	Stop-loss: 19177
	19089	18898	19371	19177

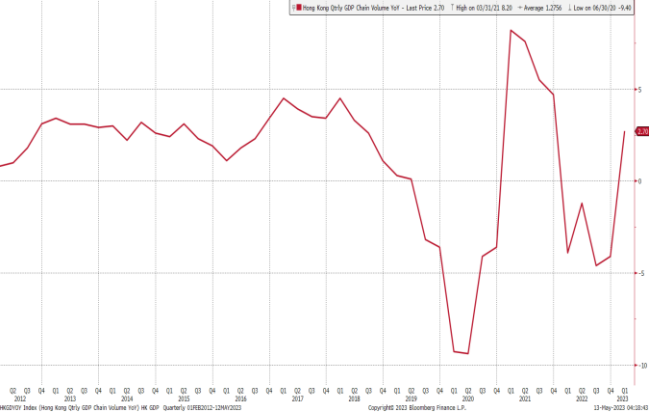
Mini Hang Seng China Enterprise:	Long: Profit target: 6258	Stop-loss: 6320	Long: Profit target: 6162	Stop-loss: 6224
	6258	6320	6162	6224

	Short: Profit target: 6448	Stop-loss: 6384	Short: Profit target: 6544	Stop-loss: 6478
	6448	6384	6544	6478

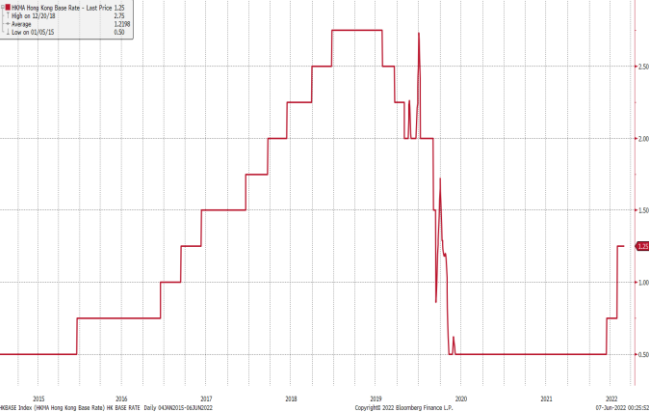
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
06/30/2023 16:30	Money Supply M3 HKD YoY	May	--	1.00%	0.90%	--
06/30/2023 16:30	Money Supply M2 HKD YoY	May	--	1.00%	0.90%	--
06/30/2023 16:30	Money Supply M1 HKD YoY	May	--	-19.90%	-19.90%	--
06/30/2023 16:30	Budget Balance HKD	May	--	-37.1b	-34.7b	--
07/03/2023 16:30	Retail Sales Value YoY	May	23.30%	--	15.00%	--
07/03/2023 16:30	Retail Sales Volume YoY	May	--	--	13.30%	--
07/05/2023 08:30	S&P Global Hong Kong PMI	Jun	--	--	50.6	--
07/07/2023	Foreign Reserves	Jun	--	--	\$421.0b	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
06/30/2023 09:30	Composite PMI	Jun	--	52.3	52.9	--
06/30/2023 09:30	Manufacturing PMI	Jun	49	49	48.8	--
06/30/2023 09:30	Non-manufacturing PMI	Jun	53.5	53.2	54.5	--
06/30/2023 16:42	BoP Current Account Balance	1Q F	--	\$81.5b	\$82.0b	--
07/03/2023 09:45	Caixin China PMI Mfg	Jun	50	--	50.9	--
07/05/2023 09:45	Caixin China PMI Composite	Jun	--	--	55.6	--
07/05/2023 09:45	Caixin China PMI Services	Jun	56.2	--	57.1	--
07/07/2023	Foreign Reserves	Jun	--	--	\$3176.51b	--

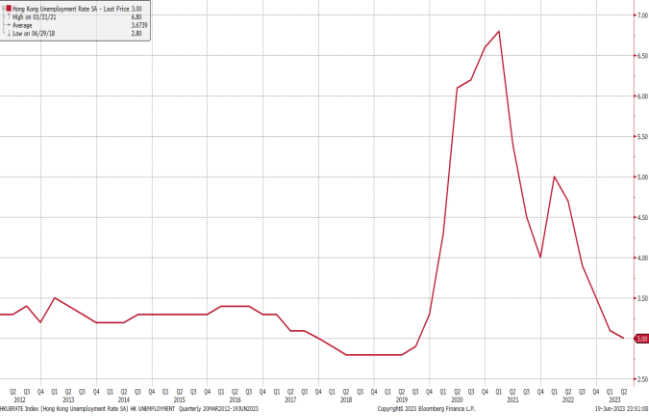
Hong Kong GDP Q on Q



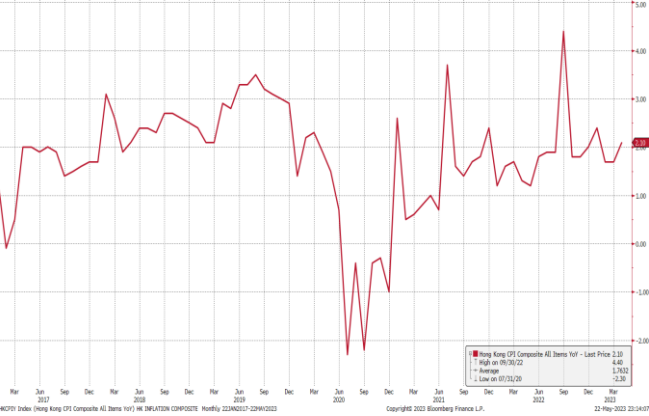
Hong Kong Base Interest Rate



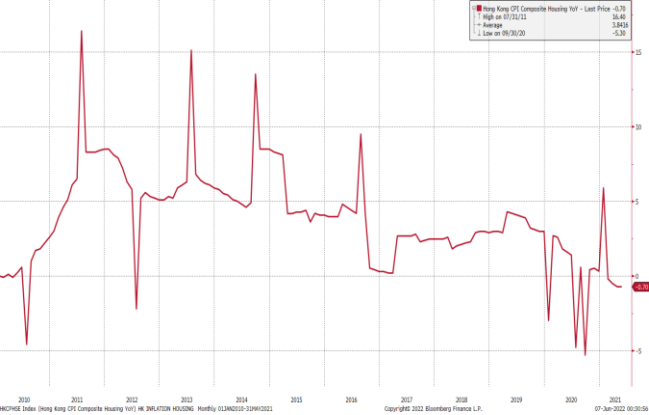
Hong Kong Unemployment Rate



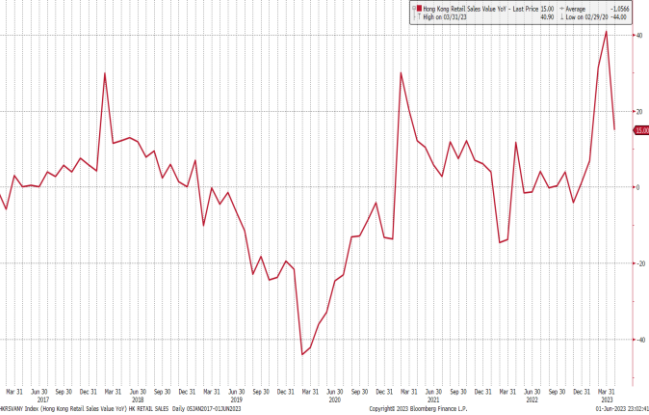
Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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