

Fundamentals:

Hong Kong stocks tumbled as foreign investors continued to stay away amid concerns the yuan will weaken on widening interest-rate differentials. China Evergrande Group slid after authorities detained some executives from its wealth management unit.

The Hang Seng Index fell 1.4 per cent to 17,930.55 at the close of Monday trading to a three-week low. The Tech Index declined 2.2 per cent while the Shanghai Composite Index gained 0.3 per cent.

Alibaba Group weakened 2.4 per cent to HK\$84.20, e-commerce rival JD.com dropped 2.9 per cent to HK\$121, while food delivery platform operator Meituan slipped 1.9 per cent to HK\$122. Tencent declined 1.6 per cent to HK\$312.20.

Hong Kong developers Sun Hung Kai Properties, New World Development and Henderson Land each slipped by almost 2 per cent on concerns property prices will weaken as seven banks in the city prepare to raise mortgage rates. HSBC lost 0.2 per cent to HK\$60.75 and Bank of China (HK) slipped 0.4 per cent to HK\$2.72.

The Hang Seng Index has retreated about 2 per cent this month as investors ignored recovery signs and rued Beijing's go-slow approach to revitalise the economy. Foreign funds sold US\$2.1 billion of Chinese stocks last week, taking the six-week outflows to a record US\$15 billion, Goldman Sachs said.

Foreign-exchange outflows from China amounted to US\$42 billion in August versus US\$26 billion in July, it added, the highest since 2016.

The yuan depreciated to 7.2958 per US dollar in recent offshore trading, versus 7.2807 on Friday, and traded near a 16-year low in the onshore market. Wall Street banks including Goldman and Bank of America expect China to further cut rates to spur the economy, while the Federal Reserve is seen pausing or hiking in the near term.

China's property market wobbles continued to hurt sentiment. Debt-laden Evergrande crashed as much as 25 per cent to HK\$0.465, after police detained some staff at its wealth management unit after it failed to pay on some investment products. Its shares fell 1.6 per cent at HK\$0.61 at the close of trading.

Elsewhere, Country Garden Holdings slipped 1.9 per cent to HK\$1.04. Once China's largest home builder, the developer has sought to delay local bond maturities as more offshore debt payments are coming due. State-linked peer Sino-Ocean last week froze all offshore debt payments to restructure its finances.

Other major Asian markets weakened. South Korea's Kospi lost 1 per cent and Australia's S&P/ASX 200 dropped 0.7 per cent. Japanese markets are closed for a holiday.

(Source: South China Morning Post)

HONG KONG INDEX FUTURES DAILY PREVIEW

Date Prepared : 19/Sep/2023

Mini Hang Seng Futures Daily Chart



Mini Hang Seng China Enterprise Futures Daily Chart



Contracts	Chg	Sett	High	Low
H. SENG FUT SEP 23	-242	17942	18182	17879
H. SENG FUT OCT 23	-245	18010	18234	17950
H. SENG FUT DEC 23	-249	18119	18345	18081
H. SENG FUT MAR 24	-242	17942	18182	17879
MINI H. SENG FUT SEP 23	-242	17942	18188	17879
MINI H. SENG FUT OCT 23	-245	18010	18249	17955
MINI H. SENG FUT DEC 23	-249	18119	18361	18080
MINI H. SENG FUT MAR 24	-242	17942	18188	17879
HSCEI FUT SEP 23	-104	6209	6312	6200
HSCEI FUT OCT 23	-108	6235	6329	6227
HSCEI FUT DEC 23	-106	6293	6383	6296
HSCEI FUT MAR 24	-104	6209	6312	6200
MINI HSCEI FUT SEP 23	-104	6209	6313	6201
MINI HSCEI FUT OCT 23	-108	6235	6333	6226
MINI HSCEI FUT DEC 23	-106	6293	6384	6287
MINI HSCEI FUT MAR 24	-104	6209	6313	6201

Major HSI Constituent Stocks	Close	Change	High	Low
*Alia Group Ltd	65.4	-1.15	67.55	65.25
**Tencent Holdings Ltd	312.2	-5	319	312.2
*HSBC Holdings PLC	60.75	-0.1	60.95	59.85
**China Construction Bank Corp	4.36	-0.05	4.4	4.31
**Ping An Insurance Group	46.2	-1.2	47.1	46
**Meituan	122	-2.3	123.6	121.3
*Hong Kong Exchanges & Clearing Ltd	292.2	-7.6	298.2	292
**Alibaba Group Holdings Ltd	84.2	-2.05	85.75	84.2
**Xiaomi Corp	11.92	-0.3	12.16	11.92
**ICBC	3.75	-0.05	3.78	3.72

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	43.6	-0.3	44	43.2
**China Mobile Ltd	66.65	-0.6	67.4	66.25
*Bank of China Ltd	2.72	-0.01	2.73	2.69
*Techtronic Industries Co Ltd	75.9	-0.45	76.9	75.05
*CK Hutchison Holdings Ltd	41.35	-0.6	41.95	41.3
*Link REIT	37.45	-0.4	38.15	37.35
*CLP Holding Ltd	58.65	-0.75	59.4	58.55
**Geely Automobile Holdings Ltd	9.74	0.1	9.99	9.53
**CNOOC Ltd	13.74	0	13.88	13.64
**ANTA Sports Products Ltd	90.15	0.1	91.25	88.4

Global Equity Indices	Close	Change	High	Low
Hang Seng	17930.55	-252.34	18114.8	17894.81
HSCEI	6209.52	-100.07	6288.06	6201.44
Shanghai Comp Index	3125.93	8.189	3128.7	3098.496
Nikkei 225	0	0	0	0
KOSPI	2574.72	-26.56	2596.55	2573.26
S&P/ASX200	7230.37	-48.659	7279	7223.5
DJIA	34624.3	6.06	34725.1	34545.35
S&P 500	4453.53	3.21	4466.36	4442.11
NASDAQ	13710.2	1.91	13751.3	13663.46
DAX	15727.1	-166.41	15870.6	15693.87
CAC	7276.14	-1.39	7353.55	7255.03
FTSE100	7652.94	-58.44	7720.14	7641.76

Technical Analysis

Mini Hang Seng

1st Resistance:	18211	2nd Resistance:	18480
1st Support:	17673	2nd Support:	17404
MACD:	-173.426		
MACD DIFF:	4.03849		
RSI:	40.4032		

Mini Hang Seng China Enterprise

1st Resistance:	6302	2nd Resistance:	6395
1st Support:	6116	2nd Support:	6023
MACD:	-38.091		
MACD DIFF:	-0.839		
RSI:	42.6606		

Strategy:

Mini Hang Seng:	Long: Profit target:	Stop-loss:	Long: Profit target:	Stop-loss:
	17673	17850	17585	17404
				17578
				17317

Short: Profit target:	Stop-loss:	Short: Profit target:	Stop-loss:
18211	18029	18302	18480
			18295
			18573

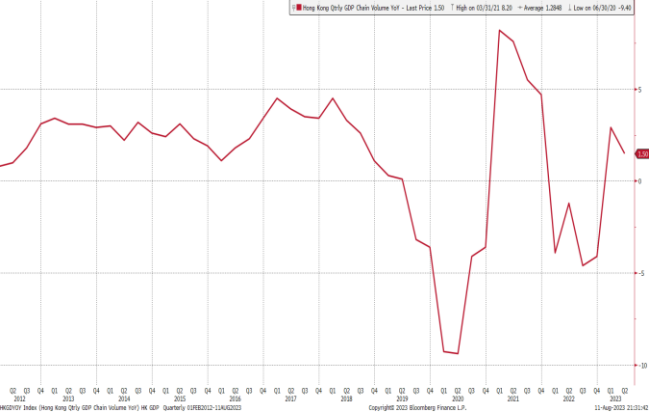
Mini Hang Seng China Enterprise:	Long: Profit target:	Stop-loss:	Long: Profit target:	Stop-loss:
	6116	6177	6085	6023
				6083
				5993

Short: Profit target:	Stop-loss:	Short: Profit target:	Stop-loss:
6302	6239	6334	6395
			6331
			6427

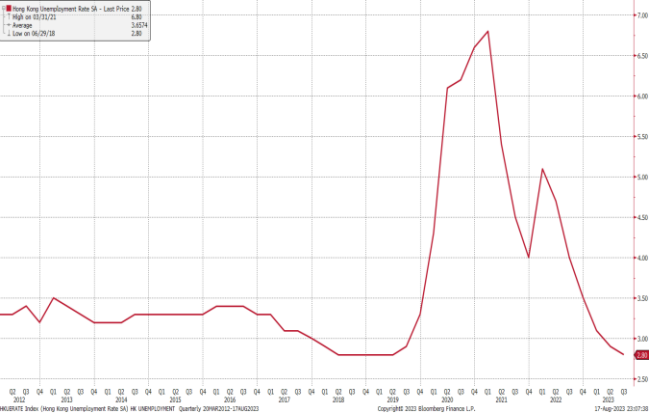
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
09/19/2023 16:30	Unemployment Rate SA	Aug	--	--	2.80%	--
09/21/2023 16:30	BoP Overall	2Q	--	--	\$3.64b	--
09/21/2023 16:30	CPI Composite YoY	Aug	--	--	1.80%	--
09/21/2023 16:30	BoP Current Account Balance	2Q	--	--	\$41.26b	\$42.62b

China Economic Releases		Period	Survey	Actual	Prior	Revised
09/20/2023 09:15	5-Year Loan Prime Rate	Sep-20	4.20%	--	4.20%	--
09/20/2023 09:15	1-Year Loan Prime Rate	Sep-20	3.45%	--	3.45%	--
09/21/2023 09:00	Swift Global Payments CNY	Aug	--	--	3.06%	--
09/22/2023 10:00	Bloomberg Sept. China Economic Survey					

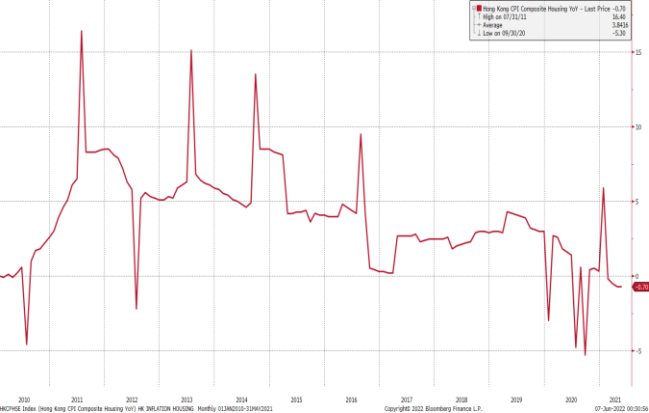
Hong Kong GDP Q on Q



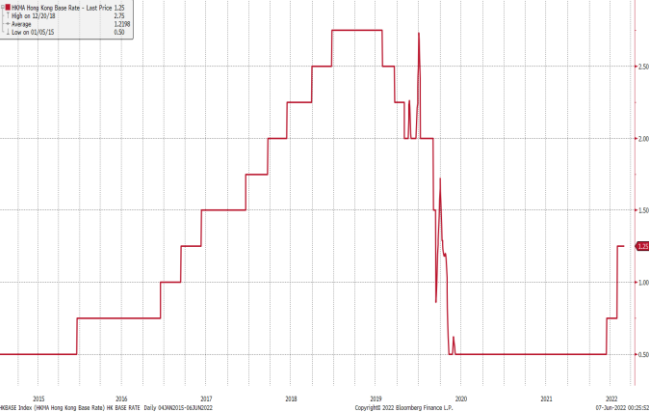
Hong Kong Unemployment Rate



Hong Kong Housing Inflation



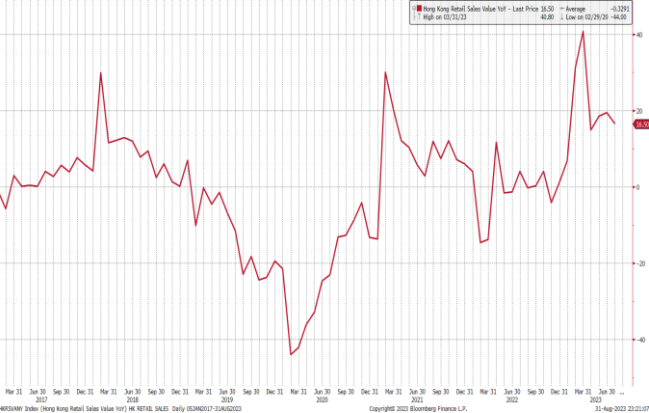
Hong Kong Base Interest Rate



Hong Kong Composite Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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