

Fundamentals:

Hong Kong stocks suffered the biggest weekly loss in two months as global funds trimmed their bets on Chinese stocks amid concerns the corporate earnings season will disappoint. Investors also braced for more losses after the Federal Reserve said its policy was still not too tight.

The Hang Seng fell for a third day, losing 0.7 per cent to 17,172.13 on Friday, taking the decline in the week to 3.6 per cent. The Tech Index lost 1 per cent while the Shanghai Composite Index dropped 0.7 per cent to trade near an 11-month low.

Alibaba Group dropped 0.8 per cent to HK\$78.50 while rival e-commerce platform operator JD.com eased 0.6 per cent to HK\$96.65. Tencent weakened 0.8 per cent to HK\$289, Baidu declined 3.2 per cent to HK\$104.30 and Meituan retreated 2.4 per cent to HK\$107.80.

CATL, the world's biggest maker of EV batteries, said third-quarter earnings rose 10.7 per cent in the slowest gain since the start of 2022. China Telecom lost 1.6 per cent to HK\$3.71 before its earnings results. Bourse operator Hong Kong Exchanges and Clearing erased a 0.9 per cent drop, as investment income masked a weak core business as IPOs dwindled amid weak transaction volume.

Foreign investors sold 24 billion yuan (US\$3.3 billion) worth of mainland-listed stocks via Stock Connect this week, bringing the net selling to over 160 billion yuan in the past 10 weeks, the most on record, according to data compiled by Daiwa.

They have surrendered half of their purchases since China's reopening in late 2022, Daiwa said. In Hong Kong, foreign ownership of H shares has declined to 37.1 per cent by September from 44 per cent in early 2020, it estimated.

Elsewhere, US Treasury yields surged overnight, with 10-year notes fetching a 16-year high of about 5 per cent. Fed Chair Jerome Powell said policymakers would be careful in raising interest rates and suggested its current policy was still not too tight. An escalation in Middle East tensions also sapped risk appetite.

Major Asian markets slipped on Friday. South Korea's Kospi slumped 1.7 per cent and Australia's S&P/ASX 200 lost 1.2 per cent. Japan's Nikkei 225 dropped 0.5 per cent.

(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 OCT 23	-117	17173	17438	17048
H. SENG FUT NOV 23	-128	17190	17450	17075
H. SENG FUT DEC 23	-129	17260	17498	17153
H. SENG FUT MAR 24	-117	17173	17438	17048
MINI H. SENG FUT OCT 23	-117	17173	17438	17048
MINI H. SENG FUT NOV 23	-128	17190	17450	17070
MINI H. SENG FUT DEC 23	-129	17260	17520	17150
MINI H. SENG FUT MAR 24	-117	17173	17438	17048
HSCEI FUT OCT 23	-52	5876	5979	5844
HSCEI FUT NOV 23	-49	5898	6000	5876
HSCEI FUT DEC 23	-52	5925	5993	5900
HSCEI FUT MAR 24	-52	5876	5979	5844
MINI HSCEI FUT OCT 23	-52	5876	5979	5844
MINI HSCEI FUT NOV 23	-49	5898	5995	5868
MINI HSCEI FUT DEC 23	-52	5925	6023	5900
MINI HSCEI FUT MAR 24	-52	5876	5979	5844

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	66.95	0.2	67.15	65.4
**Tencent Holdings Ltd	289	-2.2	290.2	286.2
*HSBC Holdings PLC	59.8	-0.95	60.5	59.4
**China Construction Bank Corp	4.55	0	4.6	4.51
**Ping An Insurance Group	40.55	-0.35	41.1	40
**Meituan	107.8	-2.6	109.5	107.3
*Hong Kong Exchanges & Clearing Ltd	285.2	2.6	288.6	280
**Alibaba Group Holdings Ltd	78.5	-0.65	79.15	78.1
**Xiaomi Corp	13.3	-0.28	13.82	13.26
**ICBC	3.76	-0.03	3.83	3.75

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	46.1	0.15	46.5	45.2
**China Mobile Ltd	64.25	-0.85	65	63.9
**Bank of China Ltd	2.75	-0.01	2.78	2.73
*Techtronic Industries Co Ltd	68.6	0.8	69.3	67.4
*CK Hutchison Holdings Ltd	39.7	-0.2	39.95	39.25
*Link REIT	35.45	-0.5	35.75	35.2
*CLP Holding Ltd	56.45	-0.6	57.55	56.35
**Geely Automobile Holdings Ltd	8.76	-0.14	8.96	8.73
**CNOOC Ltd	13.44	-0.04	13.7	13.38
**ANTA Sports Products Ltd	91.55	0.6	92.85	89.2

Global Equity Indices	Close	Change	High	Low
Hang Seng	17172.13	-123.76	17309.7	17118.07
HSCEI	5871.71	-52.52	5938.02	5855.39
Shanghai Comp Index	2983.06	-22.334	3006.28	2977.173
Nikkei 225	31259.4	-171.26	31429	31093.9
KOSPI	2375	-40.8	2394.67	2364.01
S&P/ASX200	6900.72	-80.882	6981.61	6878.3
DJIA	33127.3	-286.89	33425.8	33118.12
S&P 500	4224.16	-53.84	4276.56	4223.03
NASDAQ	12983.8	-202.36	13177.4	12977.43
DAX	14798.5	-246.76	14936.5	14798.47
CAC	6816.22	-1.52	6880.64	6816.17
FTSE100	7402.14	-97.39	7499.62	7395.57

Technical Analysis

Mini Hang Seng

1st Resistance:	17431	2nd Resistance:	17688
1st Support:	16915	2nd Support:	16658
MACD:	-140.880		
MACD DIFF:	-16.0955		
RSI:	38.8503		

Mini Hang Seng China Enterprise

1st Resistance:	5964	2nd Resistance:	6052
1st Support:	5788	2nd Support:	5700
MACD:	-59.809		
MACD DIFF:	-6.911		
RSI:	38.7399		

Strategy:

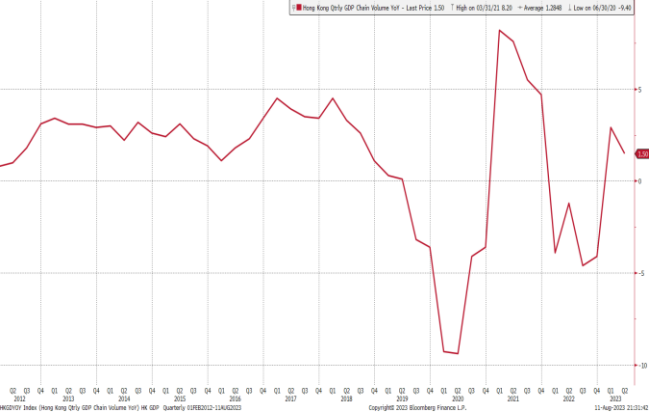
Mini Hang Seng:	Long: Profit target: 16915	Stop-loss: 17085	Long: Profit target: 16658	Stop-loss: 16824	16575
	Short: Profit target: 17431	Stop-loss: 17256	Short: Profit target: 17688	Stop-loss: 17511	17777

Mini Hang Seng China Enterprise:	Long: Profit target: 5788	Stop-loss: 5846	Long: Profit target: 5700	Stop-loss: 5757	5671
	Short: Profit target: 5964	Stop-loss: 5904	Short: Profit target: 6052	Stop-loss: 5992	6083

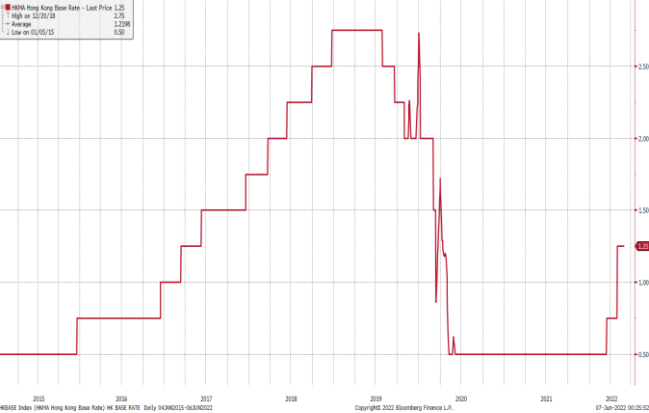
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
10/20/2023 16:30	CPI Composite YoY	Sep	1.80%	2.00%	1.80%	--
10/26/2023 16:30	Exports YoY	Sep	--	--	-3.70%	--
10/26/2023 16:30	Imports YoY	Sep	--	--	-0.30%	--
10/26/2023 16:30	Trade Balance HKD	Sep	--	--	-25.6b	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
10/20/2023 09:15	5-Year Loan Prime Rate	Oct-20	4.20%	4.20%	4.20%	--
10/20/2023 09:15	1-Year Loan Prime Rate	Oct-20	3.45%	3.45%	3.45%	--
10/20/2023 16:32	FDI YTD YoY CNY	Sep	--	-8.40%	-5.10%	--
10/20/2023 17:04	FX Net Settlement - Clients CNY	Sep	--	-139.5b	-43.9b	--
10/27/2023 09:30	Industrial Profits YoY	Sep	--	--	17.20%	--
10/27/2023 09:30	Industrial Profits YTD YoY	Sep	--	--	-11.70%	--

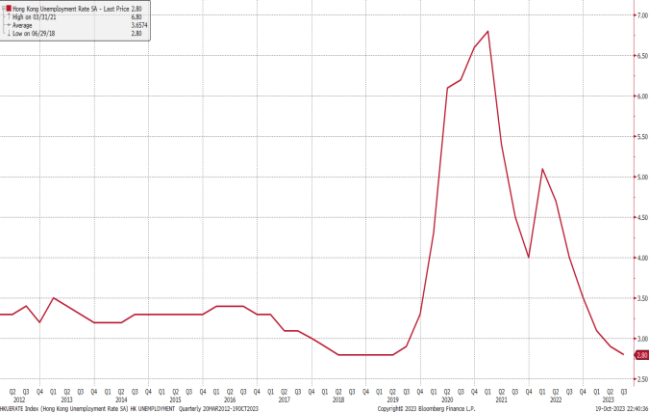
Hong Kong GDP Q on Q



Hong Kong Base Interest Rate



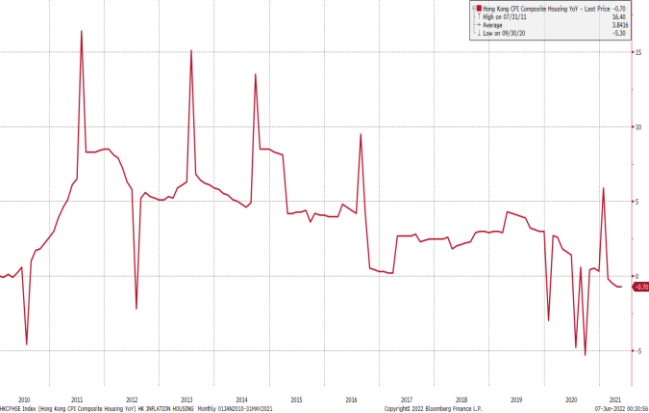
Hong Kong Unemployment Rate



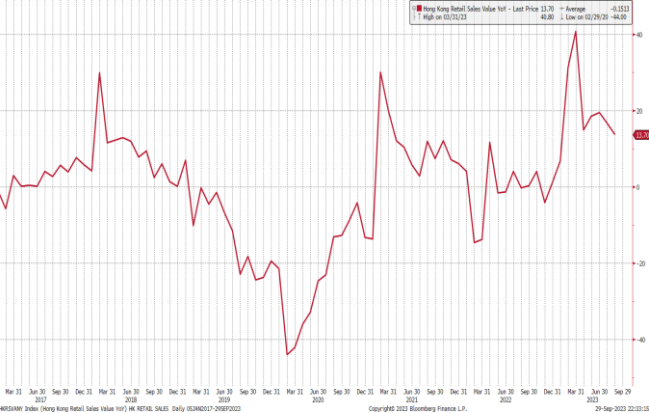
Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

Kenanga Futures Sdn Bhd (353603-X)
Dealing Desk: (603) 2172 3820 Fax: (603) 2172 2729 Email: futures@kenanga.com.my
Disclaimer: This document has been prepared for general circulation based on information obtained from sources believed to be reliable but we do not make any representations as to its accuracy or completeness. Any recommendation contained in this document does not have regard to the specific investment objectives, financial background and the particular needs of any person who may read this document. This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement and assessment by addressees in relation to any investment decision. Kenanga Futures Sdn Bhd accepts no liability whatsoever for any direct or consequential loss arising from any use of this document or any solicitations of an offer to buy or sell any securities/underlying securities. Kenanga Futures Sdn Bhd and its associates, their directors, and/or employees may have positions in, and may effect transactions in securities/underlying securities mentioned herein from time to time in the open market or otherwise, and may receive brokerage fees or act as principal or agent in dealings with respect to these companies.