

**Fundamentals:**

Hong Kong stocks declined before a government report showing manufacturing in mainland China contracted for a third month in June, underlining concerns about the lack of big policy stimulus. Prices also weakened as major global central bankers said more tightening may be needed to tame inflation.

The Hang Seng Index snapped a two-day advance, losing 1.2 per cent to 18,934.36 at the close of Thursday trading. The Tech index slipped 1.7 per cent, while the Shanghai Composite Index weakened 0.2 per cent.

Alibaba Group dropped 2.6 per cent to HK\$82.15, and rival e-commerce platform operator JD.com slid 3.8 per cent to HK\$132.70 while Baidu fell 4.4 per cent to HK\$134.30. Sportswear maker Li Ning tumbled 6.2 per cent to HK\$41.40, while peer Anta Sports lost 4.5 per cent to HK\$79.70.

While the Hang Seng Index has risen this month on the back of selective measures to inject more liquidity and ease borrowing costs, the benchmark has lost about 7.2 per cent since March 31, set for its worst quarter since September last year.

China's PMI Manufacturing Index likely stayed at 49 this month, according to forecasts before a statistics bureau report on Friday. This would be little changed from 48.8 in May and 49.2 in April, signalling persistent weak demand from overseas. A level below 50 means a contraction in activity.

Meanwhile, policymakers at the Federal Reserve, Bank of England and the European Central Bank remained concerted in their hawkish message to investors at a forum in Portugal, saying the tightening since March last year may not be restrictive enough to control inflation.

Elsewhere, Swire Pacific jumped 4.2 per cent to HK\$60.25 after it announced the sale of its entire US soft drinks business for US\$3.9 billion to its UK-based parent. The firm proposed to pay HK\$11.7 billion (US\$1.5 billion), or half of the expected gain from the sale, as special dividends to shareholders.

Two stocks debuted on Thursday. Changzhou Shichuang Energy surged 64 per cent to 31.47 yuan in Shanghai, while biotech firm Laekna gained 21 per cent to HK\$15 in Hong Kong.

Major Asian markets were mixed. The Nikkei 225 in Japan added 0.1 per cent, the Kospi in South Korea lost 0.6 per cent and the S&P/ASX 200 in Australia was little changed.

(Source: South China Morning Post)

**Mini Hang Seng Futures Daily Chart**



**Mini Hang Seng China Enterprise Futures Daily Chart**



**Technical Analysis**

**Mini Hang Seng**

1st Resistance:	19200	2nd Resistance:	19483
1st Support:	18632	2nd Support:	18349
MACD:	-82.614		
MACD DIFF:	-40.6505		
RSI:	43.1994		

**Mini Hang Seng China Enterprise**

1st Resistance:	6521	2nd Resistance:	6618
1st Support:	6329	2nd Support:	6232
MACD:	-24.585		
MACD DIFF:	-13.006		
RSI:	44.191		

**Strategy:**

<b>Mini Hang Seng:</b>	Long: Profit target: 18632	Stop-loss: 18819	18539	Long: Profit target: 18349	Stop-loss: 18532	18257
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	Short: Profit target: 19200	Stop-loss: 19008	19296	Short: Profit target: 19483	Stop-loss: 19289	19581
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<b>Mini Hang Seng China Enterprise:</b>	Long: Profit target: 6329	Stop-loss: 6392	6297	Long: Profit target: 6232	Stop-loss: 6295	6201
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	Short: Profit target: 6521	Stop-loss: 6456	6554	Short: Profit target: 6618	Stop-loss: 6552	6651
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Contracts	Chg	Sett	High	Low
H. SENG FUT JUN 23	-221	18916	19192	18889
H. SENG FUT JUL 23	-248	18821	19117	18752
H. SENG FUT SEP 23	-238	18852	19128	18789
H. SENG FUT DEC 23	-221	18916	19192	18889
MINI H. SENG FUT JUN 23	-221	18916	19190	18888
MINI H. SENG FUT JUL 23	-248	18821	19118	18752
MINI H. SENG FUT SEP 23	-238	18852	19143	18788
MINI H. SENG FUT DEC 23	-221	18916	19190	18888
HSCEI FUT JUN 23	-87	6425	6523	6420
HSCEI FUT JUL 23	-104	6346	6467	6328
HSCEI FUT SEP 23	-102	6372	6488	6368
HSCEI FUT DEC 23	-87	6425	6523	6420
MINI HSCEI FUT JUN 23	-87	6425	6525	6420
MINI HSCEI FUT JUL 23	-104	6346	6467	6328
MINI HSCEI FUT SEP 23	-102	6372	6487	6355
MINI HSCEI FUT DEC 23	-87	6425	6525	6420

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	79.7	0.3	80.35	79.15
**Tencent Holdings Ltd	333.6	-2.6	339	331.2
*HSBC Holdings PLC	60.85	0	61	60.2
**China Construction Bank Corp	5.05	-0.02	5.09	5.03
**Ping An Insurance Group	49.95	-0.2	50.3	49.55
**Meituan	124.7	-2.4	128.1	123.2
*Hong Kong Exchanges & Clearing Ltd	299	-1.8	302.4	296.6
**Alibaba Group Holdings Ltd	82.2	-2.15	83.95	81.6
**Xiaomi Corp	10.86	0.02	10.9	10.76
**ICBC	4.16	0	4.18	4.13

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	35.95	-1.85	38.15	35.5
**China Mobile Ltd	63.35	-0.15	63.7	62.95
**Bank of China Ltd	3.13	-0.03	3.18	3.13
*Techtronic Industries Co Ltd	85.9	-2.1	88	85.05
*CK Hutchison Holdings Ltd	47.55	-1.15	48.7	47.25
*Link REIT	43.65	-0.55	44.4	43.55
*CLP Holding Ltd	60.85	-0.35	61.5	60.3
**Geely Automobile Holdings Ltd	9.3	-0.07	9.45	9.21
**CNOOC Ltd	11.14	-0.1	11.32	11.06
**ANTA Sports Products Ltd	79.5	-3.95	83.4	78.95

Global Equity Indices	Close	Change	High	Low
Hang Seng	18934.36	-237.69	19180.3	18837.32
HSCEI	6426.59	-94.63	6519.04	6390.52
Shanghai Comp Index	3182.38	-6.995	3196.5	3179.525
Nikkei 225	33234.1	40.15	33528	33185.2
KOSPI	2550.02	-14.17	2577.69	2550.02
S&P/ASX200	7194.91	-1.63	7223.2	7189.2
DJIA	34122.4	269.76	34147.7	33828.63
S&P 500	4396.44	19.58	4398.39	4371.97
NASDAQ	13591.3	-0.42	13618.5	13540.26
DAX	15946.7	-2.28	15998.7	15920.04
CAC	7312.73	0.36	7349.18	7288.65
FTSE100	7471.69	-28.8	7505.61	7460.53

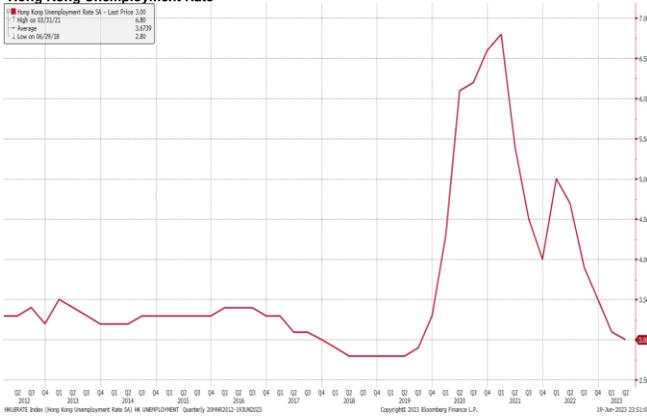
Hong Kong Economic Releases	Period	Survey	Actual	Prior	Revised
06/30/2023	Money Supply M3 HKD YoY	May	--	--	0.90%
06/30/2023	Budget Balance HKD	May	--	--	-34.7b
06/30/2023	Money Supply M1 HKD YoY	May	--	--	-19.90%
06/30/2023	Money Supply M2 HKD YoY	May	--	--	0.90%
07/03/2023 16:30	Retail Sales Value YoY	May	--	--	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

China Economic Releases	Period	Survey	Actual	Prior	Revised
06/30/2023 09:30	Composite PMI	Jun	--	--	52.9
06/30/2023 09:30	Manufacturing PMI	Jun	49	--	48.8
06/30/2023 09:30	Non-manufacturing PMI	Jun	53.3	--	54.5
06/30/2023	BoP Current Account Balance	1Q F	--	--	\$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	55.6	--	57.1

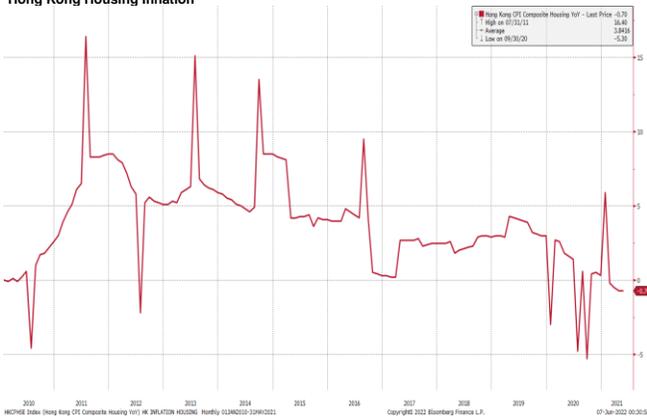
### Hong Kong GDP Q on Q



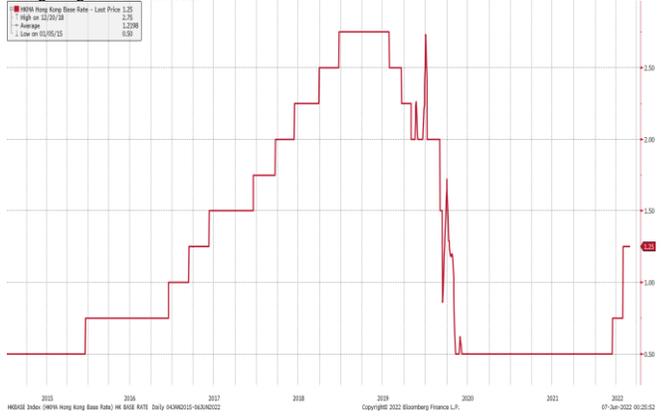
### Hong Kong Unemployment Rate



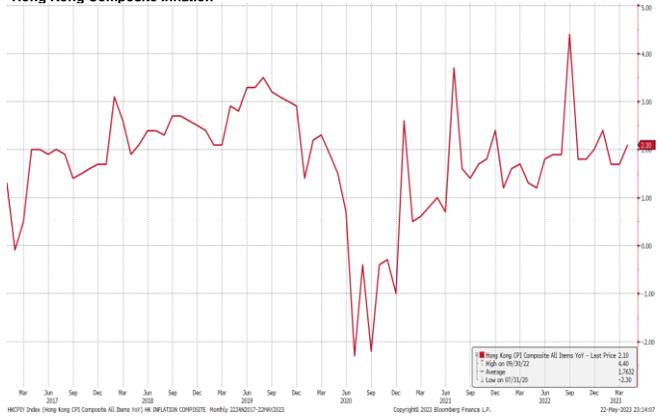
### Hong Kong Housing Inflation



### Hong Kong Base Interest Rate



### Hong Kong Composite Inflation



### Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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