

**Fundamentals:**

Hong Kong stocks declined as investors braced for tighter US curbs on technology exports to China and concerns about the worsening Israel-Hamas war. Government reports this week may show the Chinese economy slowed last quarter.

The Hang Seng Index slid 1 per cent to 17,640.36 on Monday, retreating for a second day from a five-week high. The Tech Index slipped 1.8 per cent as China's top chip makers tumbled. The Shanghai Composite Index lost 0.5 per cent.

China's biggest semiconductor producer SMIC slumped 2.7 per cent to HK\$20.15 while Hua Hong tumbled 3.8 per cent to HK\$19.12. Alibaba Group dropped 1.6 per cent to HK\$81.30 and Tencent weakened 1.8 per cent to HK\$301.20, while Baidu lost 2.6 per cent to HK\$121.40.

Casino operator Sands China fell 3 per cent to HK\$21.30 while online travel agency Trip.com lost 2.4 per cent to HK\$255.60.

The Biden administration is said to be planning to tighten regulations on the sale of graphics chips for artificial intelligence purposes and advanced chip-making equipment to Chinese companies, Reuters reported on Sunday. The impending new curbs followed Huawei's latest smartphone utilising secretive advanced chips.

Israel should stop its "collective punishment" of Gaza's civilians with actions beyond self-defence, Chinese Foreign Minister Wang Yi said, warning it would worsen regional tensions and lead to humanitarian disaster. US Secretary of State Antony Blinken urged Beijing to use its influence to prevent other groups from attacking Israel and widening its war with Hamas.

Elsewhere, China's gross domestic product probably rose at an annual pace of 4.5 per cent last quarter, according to consensus from economists tracked by Bloomberg. That is slower than the 6.3 per cent gain in the second quarter.

Other forecasts showed industrial production, retail sales and employment are likely to have stabilised.

Meanwhile, the People's Bank of China on Monday injected 289 billion yuan (US\$40 billion) of liquidity into the financial system through its medium-term lending facility. Governor Pan Gongsheng earlier said it would better leverage monetary policies to boost demand and confidence, suggesting potential easing measures are in store.

Key Asian markets weakened. South Korea's Kospi dropped 0.8 per cent and Australia's S&P/ASX 200 lost 0.4 per cent, while Japan's Nikkei 225 slipped 2 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	-127	17684	17886	17626
H. SENG FUT NOV 23	-127	17706	17891	17657
H. SENG FUT DEC 23	-125	17786	17978	17750
H. SENG FUT MAR 24	-127	17684	17886	17626
MINI H. SENG FUT OCT 23	-127	17684	17887	17626
MINI H. SENG FUT NOV 23	-127	17706	17904	17652
MINI H. SENG FUT DEC 23	-125	17786	17990	17734
MINI H. SENG FUT MAR 24	-127	17684	17887	17626
HSCEI FUT OCT 23	-55	6062	6149	6043
HSCEI FUT NOV 23	-55	6084	6154	6072
HSCEI FUT DEC 23	-58	6113	6200	6050
HSCEI FUT MAR 24	-55	6062	6149	6043
MINI HSCEI FUT OCT 23	-55	6062	6149	6044
MINI HSCEI FUT NOV 23	-55	6084	6168	6068
MINI HSCEI FUT DEC 23	-58	6113	6184	6100
MINI HSCEI FUT MAR 24	-55	6062	6149	6044

Major HSI Constituent Stocks	Close	Change	High	Low
*Alia Group Ltd	68.3	0	69.35	68
**Tencent Holdings Ltd	301.2	-5.6	308.8	300.2
**HSBC Holdings PLC	61.8	-0.7	62.25	61.7
**China Construction Bank Corp	4.63	-0.01	4.7	4.63
**Ping An Insurance Group	42.95	-1.2	44.25	42.85
**Meituan	113.7	-0.9	114.7	112.5
*Hong Kong Exchanges & Clearing Ltd	287.8	-4.6	292	286.6
**Alibaba Group Holdings Ltd	81.3	-1.3	82.8	81.1
**Xiaomi Corp	12.54	-0.06	12.78	12.46
**ICBC	3.85	0	3.9	3.82

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	49	-0.1	50.65	48.4
**China Mobile Ltd	64.85	0.25	65.2	64.4
**Bank of China Ltd	2.8	-0.01	2.83	2.79
*Techtronic Industries Co Ltd	71.1	-2.7	74.5	70.8
*CK Hutchison Holdings Ltd	40.55	-0.25	40.9	40.4
*Link REIT	36.85	-0.25	37.45	36.6
*CLP Holding Ltd	57.5	0.2	57.75	57.15
**Geely Automobile Holdings Ltd	9.21	-0.11	9.4	9.15
**CNOOC Ltd	13.54	0.02	13.84	13.48
**ANTA Sports Products Ltd	90.6	0.75	93.45	89.95

Global Equity Indices	Close	Change	High	Low
Hang Seng	17640.36	-173.09	17858.2	17601.5
HSCEI	6049.82	-66.06	6137.33	6031.72
Shanghai Comp Index	3073.81	-14.286	3091.13	3063.686
Nikkei 225	31659	-656.96	31999.8	31564.31
KOSPI	2436.24	-19.91	2453.77	2422.52
S&P/ASX200	7026.55	-24.477	7051	7022.6
DJIA	33984.5	314.25	34089	33832.42
S&P 500	4373.63	45.85	4383.33	4342.37
NASDAQ	13568	160.75	13598.1	13447.17
DAX	15238	51.33	15271.5	15103.12
CAC	7022.19	0.27	7048.34	6963.02
FTSE100	7630.63	31.03	7651.27	7584.64

**Technical Analysis**

**Mini Hang Seng**

1st Resistance:	17949	2nd Resistance:	18215
1st Support:	17419	2nd Support:	17153
MACD:	-87.896		
MACD DIFF:	63.1553		
RSI:	46.6895		

**Mini Hang Seng China Enterprise**

1st Resistance:	6153	2nd Resistance:	6244
1st Support:	5971	2nd Support:	5880
MACD:	-41.078		
MACD DIFF:	19.325		
RSI:	46.0287		

**Strategy:**

**Mini Hang Seng:**

Long: Profit target:	17419	17593	17332	Long: Profit target:	17153	17325	17068
Stop-loss:				Stop-loss:			
Short: Profit target:	17949	17770	18039	Short: Profit target:	18215	18032	18306
Stop-loss:				Stop-loss:			

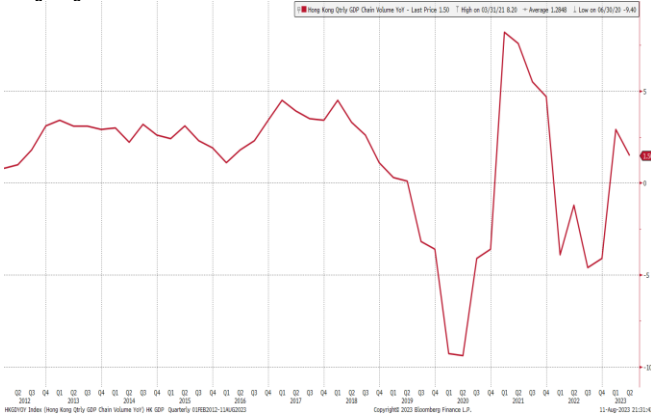
**Mini Hang Seng China Enterprise:**

Long: Profit target:	5971	6031	5941	Long: Profit target:	5880	5939	5851
Stop-loss:				Stop-loss:			
Short: Profit target:	6153	6091	6184	Short: Profit target:	6244	6181	6275
Stop-loss:				Stop-loss:			

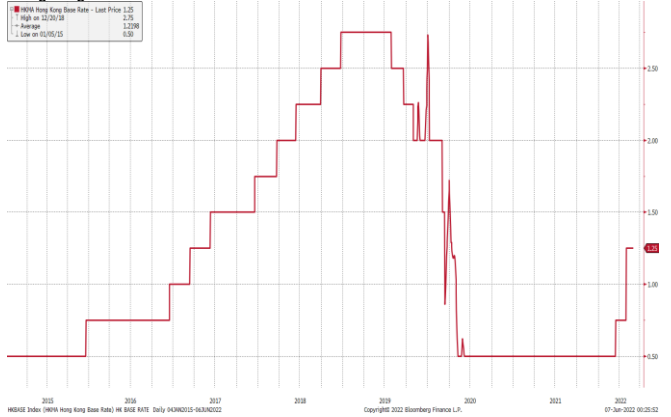
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
10/19/2023 16:30	Unemployment Rate SA	Sep	--	--	2.80%	--
10/20/2023 16:30	CPI Composite YoY	Sep	1.80%	--	1.80%	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
10/16/2023 09:20	1-Yr Medium-Term Lending Facility Ra	Oct-15	2.50%	2.50%	2.50%	--
10/16/2023 09:20	1-Yr Medium-Term Lending Facilities v	Oct-15	590.0b	789.0b	591.0b	--
10/18/2023 10:18	FDI YTD YoY CNY	Sep	--	--	-5.10%	--
10/18/2023 10:00	GDP YoY	3Q	4.50%	--	6.30%	--
10/18/2023 10:00	GDP SA QoQ	3Q	0.90%	--	0.80%	--
10/18/2023 10:00	GDP YTD YoY	3Q	5.00%	--	5.50%	--
10/18/2023 10:00	Industrial Production YoY	Sep	4.40%	--	4.50%	--
10/18/2023 10:00	Industrial Production YTD YoY	Sep	3.90%	--	3.90%	--
10/18/2023 10:00	Retail Sales YoY	Sep	4.90%	--	4.60%	--
10/18/2023 10:00	Retail Sales YTD YoY	Sep	6.70%	--	7.00%	--
10/18/2023 10:00	Fixed Assets Ex Rural YTD YoY	Sep	3.20%	--	3.20%	--
10/18/2023 10:00	Property Investment YTD YoY	Sep	-8.90%	--	-8.80%	--
10/18/2023 10:00	Residential Property Sales YTD YoY	Sep	--	--	-1.50%	--
10/18/2023 10:00	Surveyed Jobless Rate	Sep	5.20%	--	5.20%	--

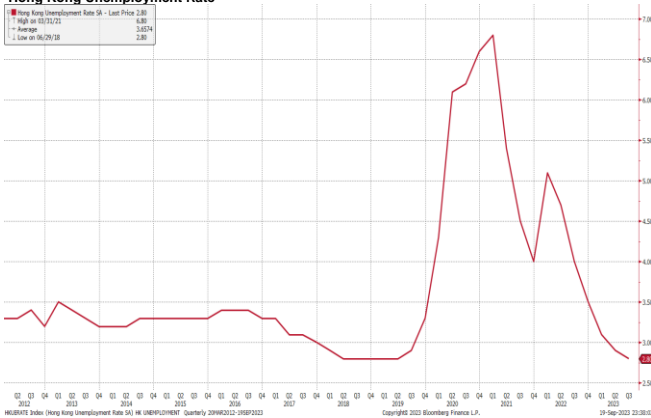
### Hong Kong GDP Q on Q



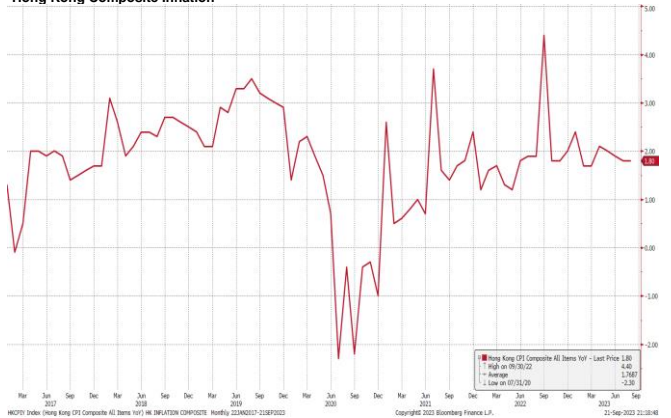
### Hong Kong Base Interest Rate



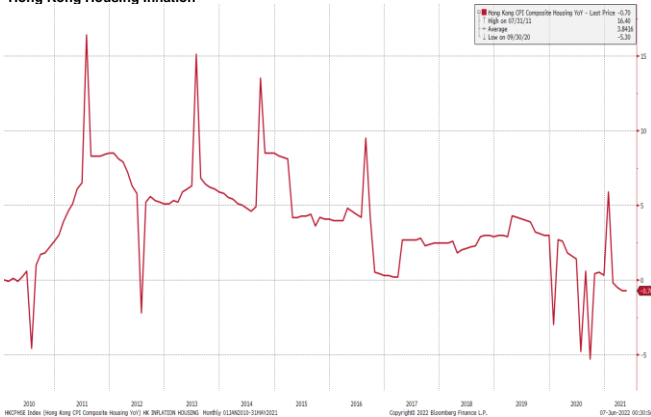
### Hong Kong Unemployment Rate



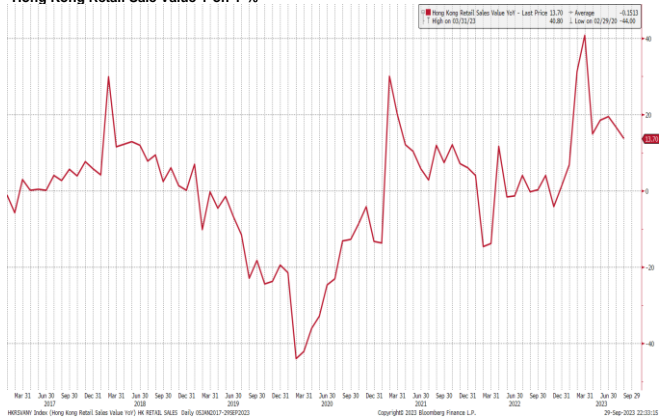
### Hong Kong Composite Inflation



### Hong Kong Housing Inflation



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



(Source: Bloomberg)

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