

Fundamentals:

Hong Kong stocks extended losses as China's property crisis deepened amid concerns about an imminent debt default by Country Garden Holdings. Tightened US tech curbs on Chinese companies and an intensifying Israel-Gaza war also weighed on market sentiment.

The Hang Seng Index slipped 2.5 per cent to 17,295.89 at the closing of Thursday trading, the biggest drop in about three weeks. The Tech Index tumbled 1.9 per cent, while the Shanghai Composite Index fell 1.7 per cent to the lowest level this year.

Alibaba Group dropped 2.8 per cent to HK\$79.15, and rival e-commerce platform operator JD.com slumped 5.4 per cent to HK\$97.20. Tencent lost 2.9 per cent to HK\$291.20, and Baidu declined 5.3 per cent to HK\$107.70 while Meituan retreated 2.9 per cent to HK\$110.40.

Property stocks weakened. A gauge tracking mainland Chinese developers listed in Hong Kong slid 2.5 per cent to approach a one-year low. Longfor lost 2.7 per cent to HK\$11.60 while China Resources Land retreated 1.8 per cent to HK\$29.40.

Country Garden kept investors in the dark about the status of its debt servicing. A 30-day grace period for a US\$15.4 million coupon on a US\$500 million bond passed this week without any announcement. The Foshan, Guangdong-based developer separately issued a notice rejecting rumours that some key members of the founding family had left the country.

The city's benchmark index has lost 2.9 per cent this week as investors braced for renewed US tech restrictions on China and rising political tensions in the Middle East. The Biden administration earlier this week imposed new rules to limit China's access to advanced chips and chip-making tools, hitting graphics-card makers.

Meanwhile, average home prices in 70 medium and large-sized Chinese cities fell 1.4 per cent from a month earlier, easing from a 2.8 per cent drop in August, according to a seasonally-adjusted data compiled by Goldman Sachs, based on numbers released by the National Bureau of Statistics.

A majority of fund managers in Asia believed a structural de-rating process was under way for Chinese stocks, as their China allocation dropped to the most underweight position in a year, according to a survey published by Bank of America.

The chronic weakness in China's economic activity and a sustained lack of concerted easing has caused fatigue and frustration to take over the market, the bank's strategists including Ritesh Samadhiya said in a note to clients.

Elsewhere, electric-car maker BYD dropped 3.7 per cent to HK\$248, while bourse operator Hong Kong Exchanges and Clearing fell 2.3 per cent to HK\$282.60 before their third-quarter earnings reports in the coming days.

Key Asian markets declined. South Korea's Kospi and Japan's Nikkei 225 both slid 1.9 per cent, while Australia's S&P/ASX 200 lost 1.4 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	-468	17290	17762	17252
H. SENG FUT NOV 23	-462	17318	17755	17274
H. SENG FUT DEC 23	-467	17389	17806	17351
H. SENG FUT MAR 24	-468	17290	17762	17252
MINI H. SENG FUT OCT 23	-468	17290	17766	17251
MINI H. SENG FUT NOV 23	-462	17318	17782	17271
MINI H. SENG FUT DEC 23	-467	17389	17851	17348
MINI H. SENG FUT MAR 24	-468	17290	17766	17251
HSCEI FUT OCT 23	-156	5928	6090	5915
HSCEI FUT NOV 23	-159	5947	6100	5937
HSCEI FUT DEC 23	-158	5977	6113	5976
HSCEI FUT MAR 24	-156	5928	6090	5915
MINI HSCEI FUT OCT 23	-156	5928	6086	5911
MINI HSCEI FUT NOV 23	-159	5947	6109	5933
MINI HSCEI FUT DEC 23	-158	5977	6126	5962
MINI HSCEI FUT MAR 24	-156	5928	6086	5911

Major HSI Constituent Stocks	Close	Change	High	Low
*Alia Group Ltd	66.75	-2.5	68.2	66.55
**Tencent Holdings Ltd	291.2	-8.8	297.6	291.2
**HSBC Holdings PLC	60.75	-1.5	61.55	60.55
**China Construction Bank Corp	4.55	-0.1	4.63	4.55
**Ping An Insurance Group	40.9	-1.6	42.1	40.85
**Meituan	110.4	-3.3	112	109.4
*Hong Kong Exchanges & Clearing Ltd	282.6	-6.6	286.8	280.6
**Alibaba Group Holdings Ltd	79.15	-2.3	81.15	79.05
**Xiaomi Corp	13.58	0.4	13.64	13.04
**ICBC	3.79	-0.09	3.85	3.78

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	45.95	-1.4	47.15	45.5
**China Mobile Ltd	65.1	-0.75	65.95	64.85
**Bank of China Ltd	2.76	-0.06	2.8	2.75
*Techtronic Industries Co Ltd	67.8	-0.7	69.05	67.35
*CK Hutchison Holdings Ltd	39.9	-1	40.5	39.9
*Link REIT	35.95	-1.05	36.85	35.85
*CLP Holding Ltd	57.05	-1.15	58.2	57
**Geely Automobile Holdings Ltd	8.9	-0.43	9.2	8.85
**CNOOC Ltd	13.48	-0.26	13.82	13.46
**ANTA Sports Products Ltd	90.95	-3.3	96	89.95

Global Equity Indices	Close	Change	High	Low
Hang Seng	17295.89	-436.63	17540.5	17292.36
HSCEI	5924.23	-151.45	6007.7	5924.23
Shanghai Comp Index	3005.39	-53.317	3043.2	3004.774
Nikkei 225	31430.6	-611.63	31669.4	31399.17
KOSPI	2415.8	-46.8	2433.45	2412.55
S&P/ASX200	6981.61	-96.003	7077.6	6952.3
DJIA	33414.2	-250.91	33852.4	33368.58
S&P 500	4278	-36.6	4339.54	4269.69
NASDAQ	13186.2	-128.13	13404.7	13157.33
DAX	15045.2	-49.68	15104.4	14984.59
CAC	6921.37	-0.64	6938.31	6875.77
FTSE100	7499.53	-88.47	7588	7490.46

Technical Analysis

Mini Hang Seng

1st Resistance:	17549	2nd Resistance:	17809
1st Support:	17031	2nd Support:	16771
MACD:	-107.085		
MACD DIFF:	13.6758		
RSI:	40.5013		

Mini Hang Seng China Enterprise

1st Resistance:	6017	2nd Resistance:	6106
1st Support:	5839	2nd Support:	5750
MACD:	-47.606		
MACD DIFF:	3.564		
RSI:	40.6556		

Strategy:

Mini Hang Seng:	Long: Profit target: 17031	Stop-loss: 17201	16945	Long: Profit target: 16771	Stop-loss: 16939	16687
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	Short: Profit target: 17549	Stop-loss: 17374	17637	Short: Profit target: 17809	Stop-loss: 17631	17898
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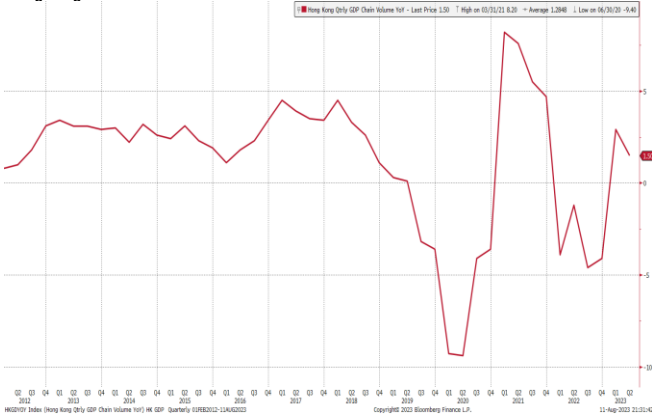
Mini Hang Seng China Enterprise:	Long: Profit target: 5839	Stop-loss: 5897	5810	Long: Profit target: 5750	Stop-loss: 5808	5721
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	Short: Profit target: 6017	Stop-loss: 5957	6047	Short: Profit target: 6106	Stop-loss: 6045	6136
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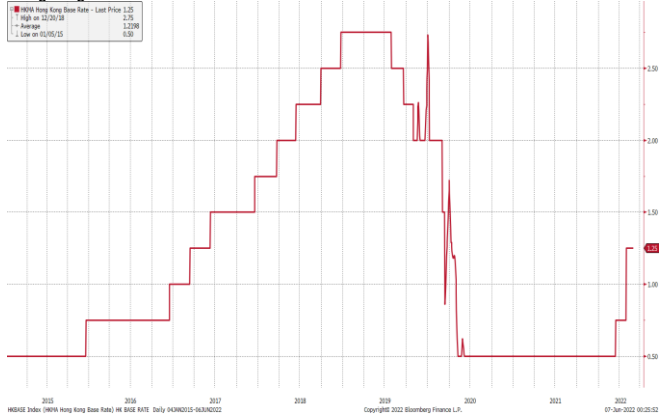
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
10/19/2023 16:30	Unemployment Rate SA	Sep	2.80%	2.80%	2.80%	--
10/20/2023 16:30	CPI Composite YoY	Sep	1.80%	--	1.80%	--
10/26/2023 16:30	Exports YoY	Sep	--	--	-3.70%	--
10/26/2023 16:30	Imports YoY	Sep	--	--	-0.30%	--
10/26/2023 16:30	Trade Balance HKD	Sep	--	--	-25.6b	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
10/19/2023 09:00	Swift Global Payments CNY	Sep	--	3.71%	3.47%	--
10/19/2023 09:30	New Home Prices MoM	Sep	--	-0.30%	-0.29%	--
10/19/2023 10:20	FDI YTD YoY CNY	Sep	--	--	-5.10%	--
10/20/2023 09:15	5-Year Loan Prime Rate	Oct-20	4.20%	--	4.20%	--
10/20/2023 09:15	1-Year Loan Prime Rate	Oct-20	3.45%	--	3.45%	--
10/20/2023	FX Net Settlement - Clients CNY	Sep	--	--	-43.9b	--

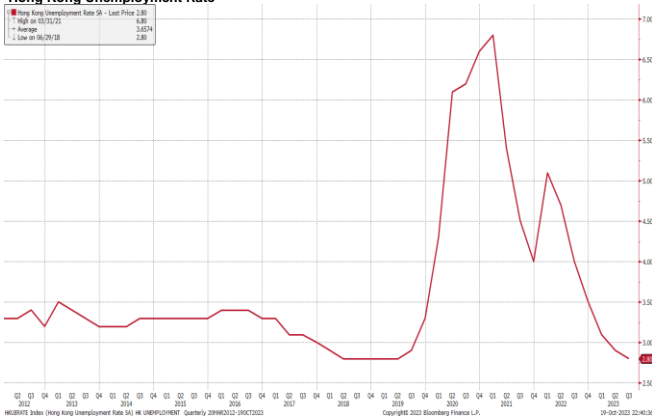
Hong Kong GDP Q on Q



Hong Kong Base Interest Rate



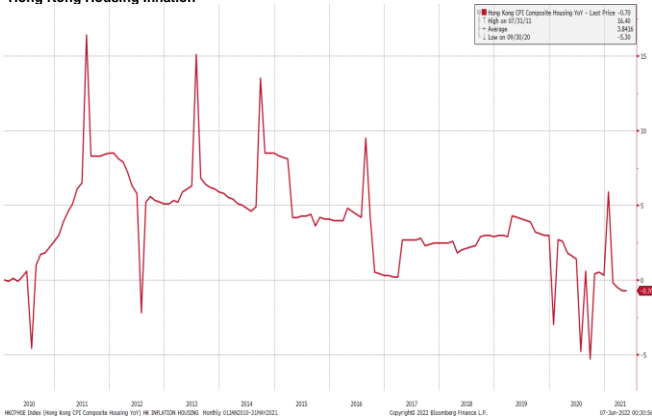
Hong Kong Unemployment Rate



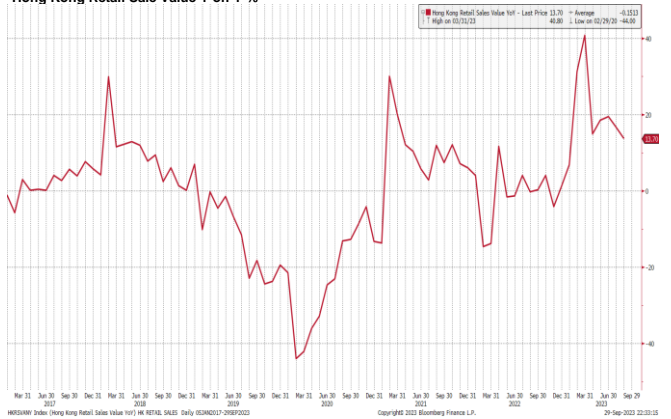
Hong Kong Composite Inflation



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

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