

Fundamentals:

Hong Kong and Chinese stocks fell as a raft of sluggish economic data underscored the urgency for Beijing to roll out fiscal stimulus to stabilise growth.

The Hang Seng Index dropped 3.7 per cent to 20,318.79 at the close for a second day of losses. The Hang Seng Tech Index slumped 4.7 per cent. The CSI 300 Index sank 2.7 per cent and the Shanghai Composite Index retreated 2.5 per cent.

Chinese technology stocks paced the declines in the city, with Meituan and Baidu falling more than 5 per cent. Gold producer Zijin Mining Group fell after bullion prices retreated on expectations that the Federal Reserve could roll back interest-rate cuts.

China's exports grew 2.4 per cent year on year in September, the slowest since May, according to customs data. Meanwhile, commercial banks extended 1.6 trillion yuan (US\$226 billion) of new loans last month, according to the central bank, missing a median forecast of 1.9 trillion yuan in a Bloomberg survey of economists. Aggregate finance, a measure of broader credit supply, also moderated from the previous month, indicating weak domestic demand.

After a more than 20 per cent rally over the past month, investors are keeping a close watch on the National People's Congress (NPC), China's legislative body. Its standing committee is due to convene later this month to possibly approve an increase in government borrowing and issuing of special government bonds to support the economy. Finance Minister Lan Fao hinted at the weekend that China has room to raise debt levels.

"We believe [Beijing] has at least extended the 'stimulus hope' to the NPC's standing committee meeting," said Patrick Pan, a strategist at Daiwa Securities Group in Hong Kong. "Although we still believe the timing is good for early investors to selectively reduce some of their China stock positions, we continue to see some tactical opportunities for 'swing' trades over the next two to three weeks.

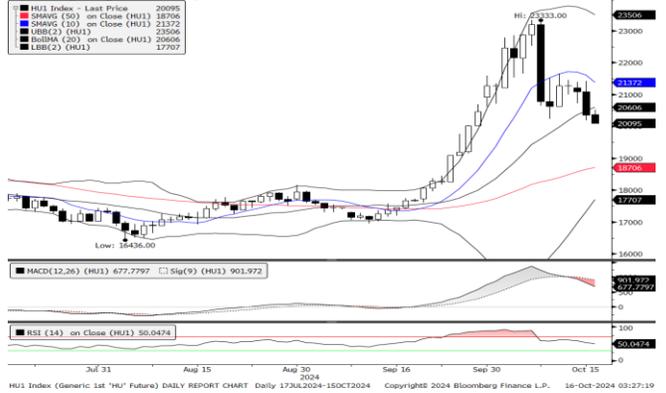
The change in fiscal policy stance is critical to drive growth next year, as exports, which have underperformed China's economy this year, may lose steam due to heightened trade tensions, according to Zhang Zhiwei, chief economist at Pinpoint Asset Management in Hong Kong.

Meituan tumbled 7 per cent to HK\$170.80 and search-engine operator Baidu dropped 5.9 per cent to HK\$92.80. Alibaba Group Holding slid 5.1 per cent to HK\$99.85 and Tencent Holdings lost 4.4 per cent to HK\$417. Zijin Mining fell 4.5 per cent to HK\$16.50.

Other major Asian markets rose after US stocks hits fresh record highs overnight. Japan's Nikkei 225 climbed 0.8 per cent, South Korea's Kospi rose 0.5 per cent and Australia's S&P/ASX 200 added 0.8 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 24	-723	20361	21429	20184
H. SENG FUT NOV 24	-737	20398	21470	20240
H. SENG FUT DEC 24	-738	20458	21500	20299
H. SENG FUT MAR 25	-742	20533	21510	20400
MINI H. SENG FUT OCT 24	-723	20361	21427	20184
MINI H. SENG FUT NOV 24	-737	20398	21465	20230
MINI H. SENG FUT DEC 24	-738	20458	21532	20281
MINI H. SENG FUT MAR 25	-742	20533	21560	20357
HSCEI FUT OCT 24	-294	7287	7719	7227
HSCEI FUT NOV 24	-298	7311	7740	7261
HSCEI FUT DEC 24	-298	7331	7750	7275
HSCEI FUT MAR 25	-301	7374	7623	7350
MINI HSCEI FUT OCT 24	-294	7287	7719	7227
MINI HSCEI FUT NOV 24	-298	7311	7737	7252
MINI HSCEI FUT DEC 24	-298	7331	7760	7272
MINI HSCEI FUT MAR 25	-301	7374	7720	7329

Major HSI Constituent Stocks	Close	Change	High	Low
*Alia Group Ltd	63.65	-2.4	66.4	63.05
**Tencent Holdings Ltd	417	-19	433.8	412.6
*HSBC Holdings PLC	67.6	-0.6	68.6	67.35
**China Construction Bank Corp	6.03	-0.12	6.2	6
**Ping An Insurance Group	48.45	-2.7	51.4	47.75
**Meituan	170.8	-12.8	185.4	168.4
*Hong Kong Exchanges & Clearing Ltd	305.8	-16.8	324.4	303
**Alibaba Group Holdings Ltd	99.85	-5.35	105.2	98.75
**Xiaomi Corp	23	-0.6	24.05	22.7
**ICBC	4.72	-0.11	4.86	4.69

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	16.14	-1.18	17.54	15.86
**China Mobile Ltd	73.65	-1.45	75.3	73.5
**Bank of China Ltd	3.77	-0.07	3.87	3.74
*Techtronic Industries Co Ltd	113.4	-1.4	117.4	112.7
*CK Hutchison Holdings Ltd	42	-0.95	43.2	41.65
*Link REIT	37.75	-0.7	38.8	37.5
*CLP Holding Ltd	66.35	-0.6	67.45	65.85
**Geely Automobile Holdings Ltd	12	-0.76	13	11.84
**CNOOC Ltd	19.3	-0.85	19.88	19.12
**ANTA Sports Products Ltd	88.7	-2.7	92.4	87.7

Global Equity Indices	Close	Change	High	Low
Hang Seng	20318.79	-774.08	21095.01	20154.71
HSCEI	7277.83	-302.11	7570.47	7216.92
Shanghai Comp Index	3201.29	-83.031	3285.215	3201.292
Nikkei 225	39910.6	304.75	40257.34	39910.55
KOSPI	2633.45	10.16	2635.32	2615.47
S&P/ASX200	8318.37	65.559	8331.7	8252.8
DJIA	42779.6	-285.66	43277.78	42725.4
S&P 500	5810.97	-48.88	5870.36	5807.16
NASDAQ	18286.7	-216.02	18564.25	18260.89
DAX	19486.2	-22.1	19633.91	19457.49
CAC	7521.97	-1.05	7601.53	7511.24
FTSE100	8249.28	-43.38	8306.15	8241.96

Technical Analysis

Mini Hang Seng

1st Resistance:	20666	2nd Resistance:	20972
1st Support:	20056	2nd Support:	19750
MACD:	805.453		
MACD DIFF:	-152.752		
RSI:	52.29422		

Mini Hang Seng China Enterprise

1st Resistance:	7396	2nd Resistance:	7506
1st Support:	7178	2nd Support:	7068
MACD:	322.258		
MACD DIFF:	-49.736		
RSI:	53.06513		

Hong Kong Economic Releases	Period	Survey	Actual	Prior	Revised	
09/30/2024 16:30	Money Supply M1 HKD YoY	Aug	--	-3.70%	-3.00%	--
09/30/2024 16:30	Money Supply M2 HKD YoY	Aug	--	1.90%	2.00%	--
09/30/2024 16:30	Money Supply M3 HKD YoY	Aug	--	1.90%	2.00%	--
10/03/2024 16:30	Retail Sales Volume YoY	Aug	-10.1%	-11.8%	-13.3%	-13.2%
10/03/2024 16:30	Retail Sales Value YoY	Aug	-9.0%	-10.1%	-11.8%	-13.7%
10/04/2024 08:30	S&P Global Hong Kong PMI	Sep	--	50.0	49.4	--
10/18/2024 16:30	Unemployment Rate SA	Sep	--	--	3.00%	--
10/22/2024 16:30	CPI Composite YoY	Sep	--	--	2.50%	--
10/31/2024 16:30	GDP SA QoQ	3Q A	--	--	0.40%	--
10/31/2024 16:30	GDP YoY	3Q A	--	--	3.30%	--
10/31/2024 16:30	Money Supply M1 HKD YoY	Sep	--	--	-3.70%	--
10/31/2024 16:30	Money Supply M2 HKD YoY	Sep	--	--	1.90%	--
10/31/2024 16:30	Money Supply M3 HKD YoY	Sep	--	--	1.90%	--

China Economic Releases	Period	Survey	Actual	Prior	Revised	
09/30/2024 09:30	Composite PMI	Sep	--	50.4	50.1	--
09/30/2024 09:30	Manufacturing PMI	Sep	49.4	49.8	49.1	--
09/30/2024 09:30	Non-manufacturing PMI	Sep	50.4	50	50.3	--
09/30/2024 09:45	Caixin China PMI Composite	Sep	--	50.3	51.2	--
09/30/2024 09:45	Caixin China PMI Mfg	Sep	50.5	49.3	50.4	--
09/30/2024 09:45	Caixin China PMI Services	Sep	51.6	50.3	51.6	--
10/09/2024 10/15	Money Supply M2 YoY	Sep	6.40%	6.80%	6.30%	--
10/09/2024 10/15	Money Supply M1 YoY	Sep	-7.20%	-7.40%	-7.30%	--
10/09/2024 10/15	Money Supply M0 YoY	Sep	--	11.50%	12.20%	--
10/14/2024 10/18	FDI YTD YoY CNY	Sep	--	--	-31.50%	--
10/13/2024 09:30	PPI YoY	Sep	--	--	-1.80%	--
10/13/2024 09:30	CPI YoY	Sep	--	--	0.60%	--

Hong Kong GDP Y on Y



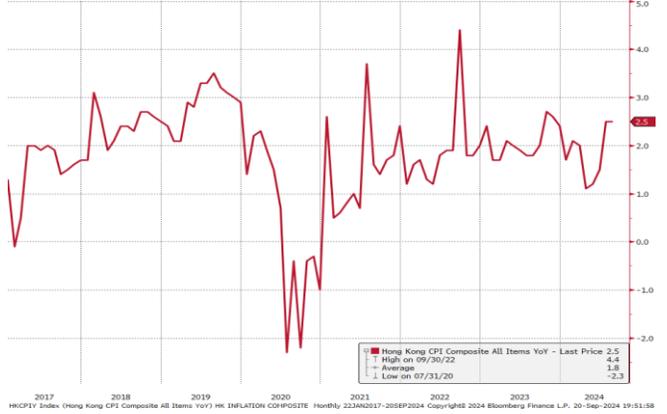
Hong Kong Base Interest Rate



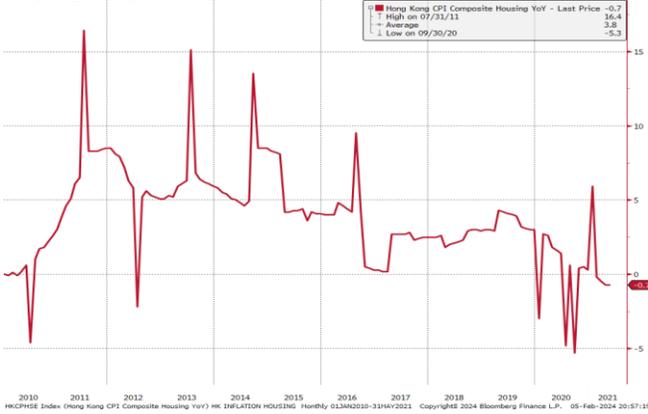
Hong Kong Unemployment Rate



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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