

Fundamentals:

Hong Kong stocks dropped for a seventh consecutive day, marking the benchmark's longest losing stretch since January 2024, as investors weighed geopolitical risks after a re-escalation of China-US tensions.

The Hang Seng Index fell 1.7 per cent to 25,441.35 at the close, registering a 6.8 per cent decline in the seven-day run. The Hang Seng Tech Index retreated 1.7 per cent.

On the mainland, the CSI 300 Index slid 1.2 per cent and the Shanghai Composite Index fell 0.6 per cent.

Galaxy Entertainment Group sank 5.5 per cent to HK\$35.58 and Sands China retreated 4.7 per cent to HK\$18.13 after American brokerage Jefferies said Macau's casino revenue missed expectations during the Chinese National Day holidays. Chinese chipmaker Semiconductor Manufacturing International Corp slumped 8.5 per cent to HK\$73.35. Alibaba Group Holding lost 4.3 per cent to HK\$155.60 and Tencent Holdings fell 2.8 per cent to HK\$62.1.

Bucking the downtrend, Pop Mart International Group, the producer of hit plush toy Labubu, gained 0.8 per cent to HK\$263 after Apple CEO Tim Cook visited an exhibition by the company.

Sentiment remained skittish even after both China and the US eased the rhetoric following a global sell-off sparked by the flare-up of geopolitical tensions between the world's two largest economies. US President Donald Trump said he might still meet his Chinese counterpart Xi Jinping in South Korea at the end of the month, while China said its tightening of rare earths exports was not intended to block the US' access to the critical metals.

The two nations conducted working-level talks on Monday, China's Ministry of Commerce said on Tuesday, while urging the US to "show sincerity" and abandon intimidation and threats.

"We would expect some profit taking near term," said James Wang, head of China strategy at UBS Group. "As investors have been baking in a geopolitical de-escalation given the prospects of a meeting between the US and Chinese leaders, we see potential for share price correction near term."

A rebound in US stocks did little to buoy sentiment. The Nasdaq 100 surged 2.2 per cent on Monday, as investors jumped onto the so-called "laco" trade, an acronym for "Trump always chickens out." That refers to the US president's bluffing approach to trade negotiations, in which he threatens first and backs off at the last minute. Traders perceive the escalation of tensions as posturing by the two nations to gain bargaining chips ahead of a Xi-Trump meeting.

Taco trade turned an April meltdown into a record-breaking run on stocks. When Trump announced the "reciprocal tariffs" on global trading partners on his so-called Liberation Day on April 2, the S&P 500 fell 12 per cent within a week. It has since been followed by a 32 per cent upsurge. Similarly, the Hang Seng Index has bounced back 30 per cent after its 13 per cent plunge on April 7, its largest single-day drop since the 1997 Asian financial crisis.

"While some of this could be short-term noise and some profit-taking after the recent run-up, the tit-for-tat measures may be more about posturing ahead of the summit," said Elizabeth Kwik, an investment director at Aberdeen Investments. "There is a chance that both sides would ultimately find some common ground to limit the fallout on stocks and, notably, Trump has previously defused tensions when US equities and bonds started feeling the pain from such escalations."

Other major Asian markets were mixed. Japan's Nikkei 225 tumbled 2.6 per cent amid political instability and South Korea's KOSPI dropped 0.6 per cent, while Australia's S&P/ASX 200 rose 0.2 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 25	-293	25516	26089	25330
H. SENG FUT NOV 25	-310	25545	26119	25368
H. SENG FUT DEC 25	-296	25630	26198	25450
H. SENG FUT JAN 26	-293	25516	26089	25330
MINI H. SENG FUT OCT 25	-293	25516	26089	25331
MINI H. SENG FUT NOV 25	-310	25545	26120	25364
MINI H. SENG FUT DEC 25	-296	25630	26200	25449
MINI H. SENG FUT MAR 26	-293	25516	26089	25331
HSCEI FUT OCT 25	-86	9103	9301	9037
HSCEI FUT NOV 25	-87	9123	9318	9065
HSCEI FUT DEC 25	-90	9151	9345	9086
HSCEI FUT JAN 26	-86	9103	9301	9037
MINI HSCEI FUT OCT 25	-86	9103	9300	9038
MINI HSCEI FUT NOV 25	-87	9123	9321	9061
MINI HSCEI FUT DEC 25	-90	9151	9340	9093
MINI HSCEI FUT MAR 26	-86	9103	9300	9038

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	70.1	-1.65	72.6	69.85
**Tencent Holdings Ltd	621	-18	644	617
*HSBC Holdings PLC	101.9	-0.7	103.3	101
**China Construction Bank Corp	7.49	0.17	7.54	7.29
**Ping An Insurance Group	53	0.55	54	52.45
**Meituan	98.3	-1.5	101.2	97.85
*Hong Kong Exchanges & Clearing Ltd	420	-12.8	435	418.4
**Alibaba Group Holdings Ltd	155.6	-7	166.1	154
**Xiaomi Corp	48.62	-0.46	50.45	48.22
**ICBC	5.76	0.1	5.81	5.62

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	34.66	-1.4	37.06	34.04
**China Mobile Ltd	84.7	-0.2	85.15	84.25
**Bank of China Ltd	4.2	0.02	4.27	4.15
*Techtronic Industries Co Ltd	89.1	-2.75	92.2	89.1
*CK Hutchison Holdings Ltd	50.7	-0.4	51.25	50.55
*Link REIT	40.36	-0.28	40.74	40.26
*CLP Holding Ltd	65.7	-0.15	65.85	65.4
**Geely Automobile Holdings Ltd	18.41	-0.5	19.5	18.32
**CNOOC Ltd	18.63	-0.21	18.94	18.63
**ANTA Sports Products Ltd	84.55	-2.15	86.7	84.2

Global Equity Indices	Close	Change	High	Low
Hang Seng	25441.35	-448.13	26102.68	25331.64
HSCEI	9079.16	-143.38	9308.34	9039.14
Shanghai Comp Index	3865.23	-24.273	3918.436	3851.121
Nikkei 225	46847.3	-1241.48	47865.65	46544.05
KOSPI	3561.81	-22.74	3646.77	3535.52
S&P/ASX200	8899.42	16.62	8914.9	8843.8
DJIA	46291.3	223.75	46522.67	45452.03
S&P 500	6629.91	-24.81	6680.7	6555.07
NASDAQ	22532.2	-162.43	22691.07	22213.73
DAX	24236.9	-150.99	24242.85	23986.93
CAC	7919.62	-0.18	7932.88	7825.97
FTSE100	9452.77	9.9	9454.29	9384.24

Technical Analysis

Mini Hang Seng

1st Resistance:	25899	2nd Resistance:	26281
1st Support:	25133	2nd Support:	24751
MACD:	172.414		
MACD DIFF:	-133.906		
RSI:	40.8251		

Mini Hang Seng China Enterprise

1st Resistance:	9240	2nd Resistance:	9376
1st Support:	8966	2nd Support:	8830
MACD:	53.976		
MACD DIFF:	-45.139		
RSI:	41.5102		

Strategy:

Mini Hang Seng:	Long: Profit target:	Stop-loss:	Long: Profit target:	Stop-loss:
	25133	25385	25008	24751
				24998
				24627

	Short: Profit target:	Stop-loss:	Short: Profit target:	Stop-loss:
	25899	25640	26028	26281
				26019
				26413

Mini Hang Seng China Enterprise:

	Long: Profit target:	Stop-loss:	Long: Profit target:	Stop-loss:
	8966	9056	8922	8830
				8918
				8786

	Short: Profit target:	Stop-loss:	Short: Profit target:	Stop-loss:
	9240	9147	9286	9376
				9282
				9423

Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
09/30/2025 16:30	Money Supply M1 HKD YoY	Aug	--	16.20%	18.70%	--
09/30/2025 16:30	Money Supply M2 HKD YoY	Aug	--	4.00%	6.20%	--
09/30/2025 16:30	Money Supply M3 HKD YoY	Aug	--	4.00%	6.20%	--
10/02/2025 16:30	Retail Sales Value YoY	Aug	2.00%	3.80%	1.80%	--
10/02/2025 16:30	Retail Sales Volume YoY	Aug	1.90%	3.20%	1.00%	0.90%
10/06/2025 08:30	S&P Global Hong Kong PMI	Sep	--	50.4	50.7	--
10/20/2025 16:30	Unemployment Rate SA	Sep	--	--	3.70%	--
10/23/2025 16:30	CPI Composite YoY	Sep	--	--	1.10%	--
10/31/2025 16:30	Retail Sales Value YoY	Sep	--	--	--	--
10/31/2025 16:30	Retail Sales Volume YoY	Sep	--	--	--	--
10/31/2025 16:30	Money Supply M1 HKD YoY	Sep	--	--	16.20%	--
10/31/2025 16:30	Money Supply M2 HKD YoY	Sep	--	--	4.00%	--
10/31/2025 16:30	Money Supply M3 HKD YoY	Sep	--	--	4.00%	--
10/31/2025 16:30	GDP SA QoQ	3Q A	--	--	0.40%	--
10/31/2025 16:30	GDP YoY	3Q A	--	--	3.10%	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
9/30/2025 09:30	Manufacturing PMI	Sep	49.6	49.8	49.4	--
9/30/2025 09:30	Non-manufacturing PMI	Sep	50.2	50	50.3	--
9/30/2025 09:30	Composite PMI	Sep	--	50.6	50.5	--
9/30/2025 17:06	BoP Current Account Balance	2Q F	--	\$128.7b	\$135.1b	--
10/10/2025-10/15/2025	Money Supply M2 YoY	Sep	8.50%	--	8.80%	--
10/10/2025-10/15/2025	Money Supply M1 YoY	Sep	6.10%	--	6.00%	--
10/10/2025-10/15/2025	Money Supply M0 YoY	Sep	--	--	11.70%	--
10/11/2025-10/18/2025	FDI YTD YoY CNY	Sep	--	--	-12.70%	--
10/15/2025 09:30	PPI YoY	Sep	--	--	-2.90%	--
10/15/2025 09:30	CPI YoY	Sep	--	--	-0.40%	--

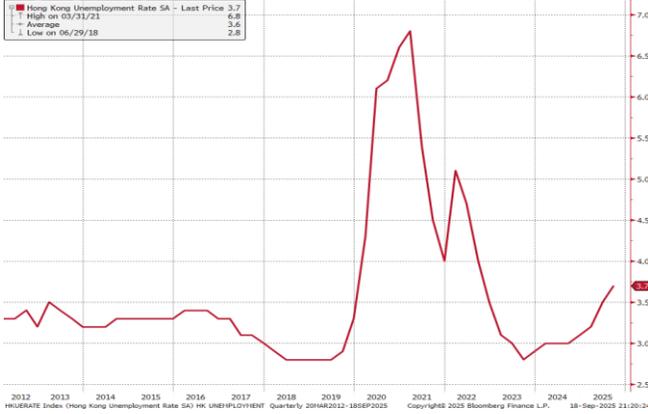
Hong Kong GDP Q on Q



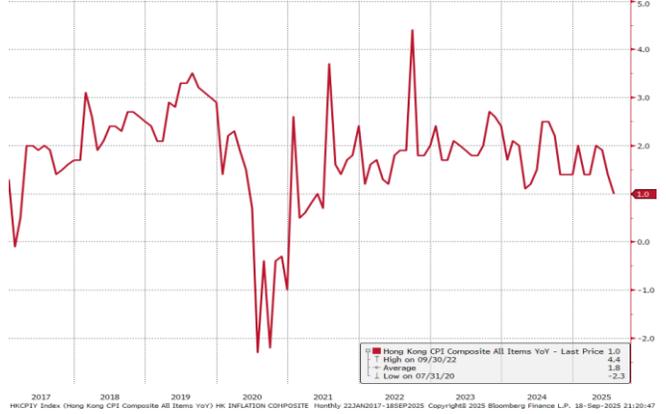
Hong Kong Base Interest Rate



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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