

Fundamentals:

Hong Kong stocks rallied by the most in about four weeks as mainland funds scooped up the biggest amount of shares since June after a sell-off pushed the local market into an oversold zone. Traders ignored concerns about the Federal Reserve policy meeting later this week.

The Hang Seng Index jumped 5.2 per cent to 15,455.27 at the close of Tuesday trading, the biggest advance since October 5 to climb out from a 13-year low. The Tech Index surged 7.8 per cent while the Shanghai Composite Index added 2.6 per cent.

Alibaba Group jumped 7.6 per cent to HK\$66.10, Tencent soared 10.6 per cent to HK\$227.40, and Meituan soared 11.9 per cent to HK\$139.60. BYD gained 4.5 per cent to HK\$163.60, while the trio of electric-vehicle makers, Nio, Li Auto and Xpeng, added 5.9 to 9.2 per cent.

The Tracker Fund rose 4.9 per cent to HK\$15.55 as the city's biggest exchange-traded fund attracted record inflows in recent weeks, while Hang Seng China Enterprises Index ETF gained 5.6 per cent to HK\$52.80.

Mainland funds bought HK\$7.4 billion (US\$986.1 million) worth of Hong Kong-listed stocks on Tuesday, the most since June 20, according to Stock Connect data. They added HK\$28.1 billion of net purchases last week, the biggest weekly inflow in the past year, according to Goldman Sachs.

Mainland funds bought Tencent, Meituan, WuXi Biologics, CNOOC, China Mobile and Koolearn Technology, the five most actively traded stocks in the Southbound channel. The stocks, including KuaiShou Technology, were also the most active in October, according to Stock Connect data.

The rally came as top global banks from JPMorgan Chase to Credit Suisse arrived in town for the Global Financial Leaders Summit hosted by Hong Kong Monetary Authority. Many are backing the vast opportunities in China, singling out the multi-trillion-dollar market in the wealth management industry.

The Hang Seng fell 14.7 per cent in October, the most in 14 years, taking the decline to 37.2 per cent in 2022. Its 14-day relative-strength indicator has fallen below 30, a threshold that indicates the drop was excessive. The Shanghai Composite Index and the CSI 300 Index also fell into the oversold territory.

Those losses followed concerns about new snap lockdowns revived after new cases prompted authorities to shut some casinos in Macau, while the Disneyland resort in Shanghai closed its doors. Workers at Foxconn's iPhone assembly plant in Zhengzhou flee the site after complaining about living conditions amid curbs.

Investors also shrugged off a private report showing China's factory activity shrank in October, impacted by Covid-control measures. The Caixin PMI Manufacturing index hit 49.2 in October, versus a four-month low of 48.1 in September. A reading below 50 indicates contraction.

Elsewhere, the US Federal Reserve is likely to raise its key rate by another 75 basis points later this week, according to Fed fund futures.

Three stocks advanced on their trading debut in Shenzhen. BMC Medical surged 142 per cent to 290 yuan, Pharma Resources Shanghai jumped 28.1 per cent to 51.23 yuan, while Techshine Electronics added 1.9 per cent to 32.10 yuan.

Asian stocks inched up before the Fed decision, with the Nikkei 225 in Japan adding 0.3 per cent while indexes in South Korea and Australia gained 1.7 to 1.8 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 NOV 22	819	15456	15646	14623
H. SENG FUT DEC 22	822	15507	15688	14681
H. SENG FUT MAR 23	828	15620	15800	14844
H. SENG FUT JUN 23	829	15523	15525	14755
MINI H. SENG FUT NOV 22	819	15456	15647	14623
MINI H. SENG FUT DEC 22	822	15507	15699	14680
MINI H. SENG FUT MAR 23	828	15620	15800	14788
MINI H. SENG FUT JUN 23	829	15523	15700	14710
HSCEI FUT NOV 22	274	5213	5288	4931
HSCEI FUT DEC 22	277	5237	5305	4955
HSCEI FUT MAR 23	277	5305	5376	5124
HSCEI FUT JUN 23	279	5283	5329	5329
MINI HSCEI FUT NOV 22	274	5213	5289	4932
MINI HSCEI FUT DEC 22	277	5237	5307	4963
MINI HSCEI FUT MAR 23	277	5305	5373	5033
MINI HSCEI FUT JUN 23	279	5283	5284	5123

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	63.4	3.95	64.15	59.8
**Tencent Holdings Ltd	227.4	21.8	231.8	207.8
*HSBC Holdings PLC	41.05	0.8	41.25	40.1
**China Construction Bank Corp	4.18	0.01	4.22	4.1
**Ping An Insurance Group	32.85	1.45	33.15	31.4
**Meituan	139.6	14.8	145	127.6
*Hong Kong Exchanges & Clearing Ltd	226.4	17.4	229.8	209.2
**Alibaba Group Holdings Ltd	66.1	4.65	68.25	62.85
**Xiaomi Corp	9.25	0.44	9.4	8.88
**ICBC	3.42	0.01	3.45	3.36

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	37.95	2.45	38.7	35.2
**China Mobile Ltd	47.4	0.15	47.9	46.85
**Bank of China Ltd	2.55	0.02	2.56	2.51
*Techtronic Industries Co Ltd	78.5	4.15	78.7	74.45
*CK Hutchison Holdings Ltd	39.25	0.25	39.7	38.55
*Link REIT	47.9	1.5	48.05	46.55
*CLP Holding Ltd	53.75	1.05	54	53.05
**Geely Automobile Holdings Ltd	9.02	0.58	9.15	8.48
**CNOOC Ltd	9.67	0.31	9.81	9.37
**ANTA Sports Products Ltd	73.4	4.4	75.05	67.85

Global Equity Indices	Close	Change	High	Low
Hang Seng	15455.27	768.25	15632.9	14859.92
HSCEI	5209.6	271.04	5277.71	4994.78
Shanghai Comp Index	2969.2	75.716	2969.2	2896.757
Nikkei 225	27678.9	91.46	27683	27526.18
KOSPI	2335.22	41.61	2335.57	2297.57
S&P/ASX200	6976.86	113.398	6976.9	6858.2
DJIA	32653.2	-79.75	32975.5	32485.23
S&P 500	3856.1	-15.88	3911.79	3843.8
NASDAQ	10890.9	-97.3	11156.4	10881.19
DAX	13338.7	85	13444.1	13287.07
CAC	6328.25	0.98	6383.7	6306.05
FTSE100	7186.16	91.63	7221.32	7094.53

Technical Analysis

Mini Hang Seng

1st Resistance:	15688	2nd Resistance:	15920
1st Support:	15224	2nd Support:	14992
MACD:	-787.836		
MACD DIFF:	-49.5379		
RSI:	37.4427		

Mini Hang Seng China Enterprise

1st Resistance:	5291	2nd Resistance:	5369
1st Support:	5135	2nd Support:	5057
MACD:	-286.639		
MACD DIFF:	-20.446		
RSI:	36.97		

Strategy:

Mini Hang Seng:	Long: Profit target:	15224	15376	15148	Long: Profit target:	14992	15142	14917
	Short: Profit target:	15688	15531	15766	Short: Profit target:	15920	15760	15999

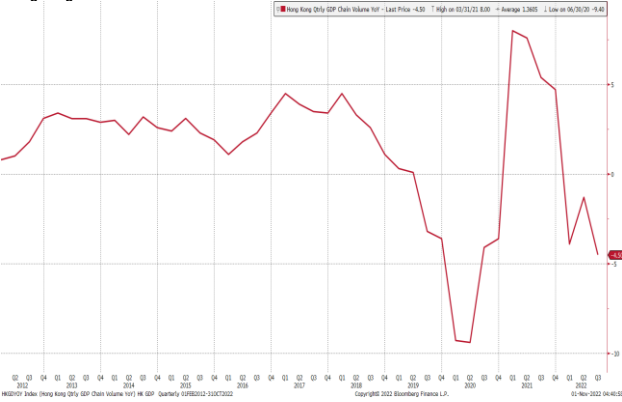
Mini Hang Seng China Enterprise:

Mini Hang Seng China Enterprise:	Long: Profit target:	5135	5186	5109	Long: Profit target:	5057	5107	5031
	Short: Profit target:	5291	5238	5318	Short: Profit target:	5369	5316	5396

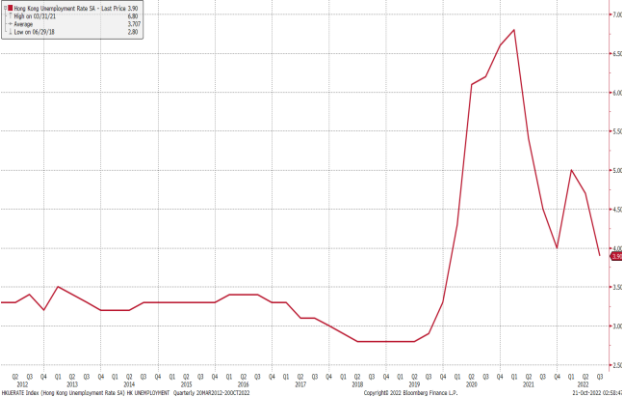
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
11/01/2022 16:30	Retail Sales Value YoY	Sep	1.70%	0.20%	-0.10%	-0.20%
11/01/2022 16:30	Retail Sales Volume YoY	Sep	-0.30%	-1.50%	-2.90%	-3.00%
11/03/2022 08:30	S&P Global Hong Kong PMI	Oct	--	--	48	--
11/07/2022	Foreign Reserves	Oct	--	--	\$419.2b	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
11/01/2022 09:45	Caixin China PMI Mfg	Oct	48.5	49.2	48.1	--
11/03/2022 09:45	Caixin China PMI Composite	Oct	--	--	48.5	--
11/03/2022 09:45	Caixin China PMI Services	Oct	49	--	49.3	--
11/04/2022	BoP Current Account Balance	3Q P	--	--	\$77.5b	--
11/07/2022	Foreign Reserves	Oct	--	--	\$3028.96b	--
11/07/2022	Exports YoY	Oct	4.50%	--	5.70%	--
11/07/2022	Imports YoY	Oct	-0.60%	--	0.30%	--
11/07/2022	Trade Balance	Oct	\$95.90b	--	\$84.74b	--
11/07/2022	Exports YoY CNY	Oct	--	--	10.70%	--
11/07/2022	Imports YoY CNY	Oct	--	--	5.20%	--
11/07/2022	Trade Balance CNY	Oct	--	--	573.57b	--

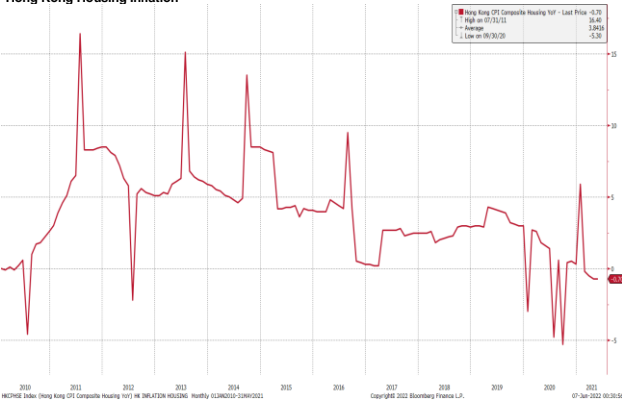
Hong Kong GDP Q on Q



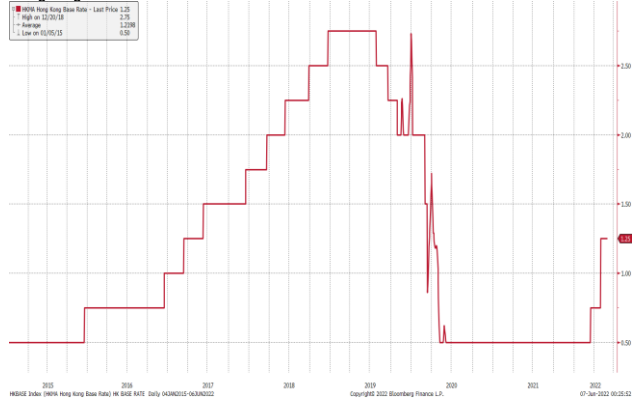
Hong Kong Unemployment Rate



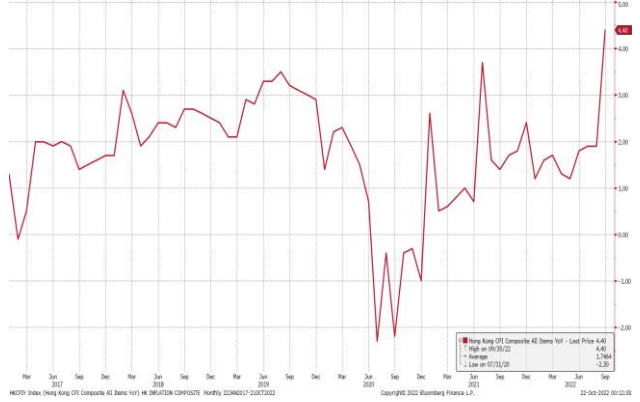
Hong Kong Housing Inflation



Hong Kong Base Interest Rate



Hong Kong Composite Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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