

## Fundamentals:

Hong Kong stocks logged the biggest weekly gain in 11 years as mainland China funds added positions, shunning off concerns about higher interest rates and economic slowdown.

Another round of speculation about the end of Beijing's zero-Covid policy helped fan the rally.

The Hang Seng Index surged 5.4 per cent to 16,161.14 at the close of Friday trading. The Tech Index jumped 7.5 per cent, while the Shanghai Composite Index gained 2.4 per cent. An index tracking US-listed Chinese stocks jumped 3.2 per cent overnight in New York.

Alibaba Group Holding led the rally, surging 11.5 per cent to HK\$70.25, and Tencent surged 7.8 per cent to HK\$238.60. JD.com advanced 12.5 per cent to HK\$171.50 and Meituan jumped 5.4 per cent to HK\$149.20. Macau casino operator Sands China climbed 4.8 per cent to HK\$16.98. The Tracker Fund added 5.3 per cent to HK\$16.23.

Today's rally lifted the Hang Seng Index to an 8.7 per cent gain for the week - the biggest five-day advance since October 2011 - and helped narrow the benchmark's decline this year to about 30 per cent. The Shanghai benchmark surged 5.1 per cent for the week, the most since July 2020.

Mainland funds have scooped up HK\$30 billion (US\$3.8 billion) worth of stocks listed in Hong Kong this week, according to Stock Connect data. They were net buyers of HK\$28.1 billion last week, the biggest inflow over the past year, according to Goldman Sachs.

Stocks extended a rally after a former state health official predicted an imminent end to Beijing's zero-Covid policy in an unverified transcript from a closed-door conference in Hong Kong. A similar rumour on the subject also fuelled stock gains earlier this week.

A gathering of global financiers at a summit organised by the Hong Kong Monetary Authority (HKMA) concluded on Thursday. Overseas attendees including those from JPMorgan Chase, Citigroup and MSCI, hailed their unhindered participation as proof that the city can put its Covid-19 curbs behind and get back to business.

HSBC climbed 2.6 per cent to HK\$41.35 while Bank of China (Hong Kong) added 2.2 per cent to HK\$25.10 as major commercial banks began raising their prime rate from today to support their lending margins, after the HKMA boosted its base rate on Thursday.

Markets in Asia-Pacific posted mixed results. The Nikkei 225 in Japan tumbled 1.7 per cent while the Kospi Index gained 0.8 per cent in South Korea. The S&P/ASX 200 Index in Australia appreciated 0.5 per cent.

(Source: South China Morning Post)

## HONG KONG INDEX FUTURES DAILY PREVIEW

Date Prepared : 07/Nov/2022

### Mini Hang Seng Futures Daily Chart



### Mini Hang Seng China Enterprise Futures Daily Chart



## Technical Analysis

### Mini Hang Seng

1st Resistance:	16434	2nd Resistance:	16677
1st Support:	15948	2nd Support:	15705
MACD:	-595.861		
MACD DIFF:	103.653		
RSI:	48.306		

### Mini Hang Seng China Enterprise

1st Resistance:	5581	2nd Resistance:	5664
1st Support:	5417	2nd Support:	5334
MACD:	-218.790		
MACD DIFF:	35.255		
RSI:	48.2519		

## Strategy:

<b>Mini Hang Seng:</b>	Long: Profit target: 15948	Stop-loss: 16108	15868	Long: Profit target: 15705	Stop-loss: 15862	15627
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Short: Profit target: 16434	Stop-loss: 16270	16516	Short: Profit target: 16677	Stop-loss: 16510	16760
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### Mini Hang Seng China Enterprise:

Long: Profit target: 5417	Stop-loss: 5471	5389	Long: Profit target: 5334	Stop-loss: 5387	5307
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Short: Profit target: 5581	Stop-loss: 5526	5609	Short: Profit target: 5664	Stop-loss: 5607	5692
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Contracts	Chg	Sett	High	Low
H. SENG FUT NOV 22	869	16191	16538	15219
H. SENG FUT DEC 22	875	16240	16588	15280
H. SENG FUT MAR 23	881	16367	16508	15400
H. SENG FUT JUN 23	883	16282	16488	15350
MINI H. SENG FUT NOV 22	869	16191	16537	15217
MINI H. SENG FUT DEC 22	875	16240	16590	15275
MINI H. SENG FUT MAR 23	881	16367	16707	15388
MINI H. SENG FUT JUN 23	883	16282	16620	15336
HSCEI FUT NOV 22	328	5499	5644	5136
HSCEI FUT DEC 22	329	5519	5660	5161
HSCEI FUT MAR 23	329	5593	5710	5565
HSCEI FUT JUN 23	330	5574	5676	5479
MINI HSCEI FUT NOV 22	328	5499	5643	5136
MINI HSCEI FUT DEC 22	329	5519	5660	5160
MINI HSCEI FUT MAR 23	329	5593	5722	5231
MINI HSCEI FUT JUN 23	330	5574	5692	5220

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	65.55	2.85	66.4	62.4
**Tencent Holdings Ltd	238.6	17.2	247.4	224.4
*HSBC Holdings PLC	41.45	1.15	41.95	40.3
**China Construction Bank Corp	4.27	0.12	4.35	4.14
**Ping An Insurance Group	34.65	2.75	35.05	32.1
**Meituan	149.5	8	158.8	144.5
*Hong Kong Exchanges & Clearing Ltd	246.2	16.4	251.2	230.6
**Alibaba Group Holdings Ltd	69.9	6.9	76.2	64
**Xiaomi Corp	9.7	0.58	9.91	9.1
**ICBC	3.49	0.1	3.54	3.4

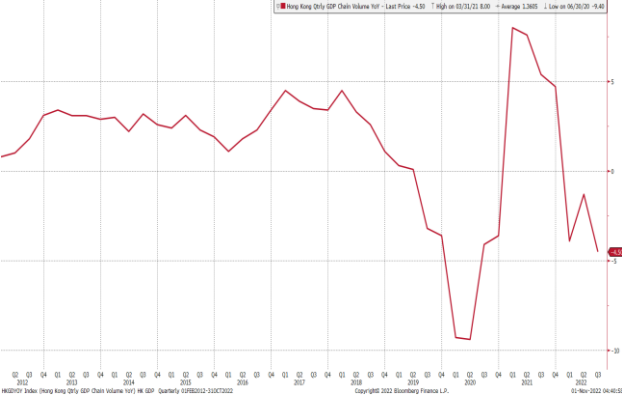
Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	43.35	4.1	44.9	39.1
**China Mobile Ltd	48.05	0.4	48.9	47.7
**Bank of China Ltd	2.58	0.06	2.6	2.51
*Techtronic Industries Co Ltd	78.5	3.45	80.2	74.9
*CK Hutchison Holdings Ltd	41	1.1	41.4	39.5
*Link REIT	49.8	1	50.3	48.7
*CLP Holding Ltd	54.3	1	54.95	53.3
**Geely Automobile Holdings Ltd	10.26	1.16	10.48	9.13
**CNOOC Ltd	9.88	0.16	10	9.74
**ANTA Sports Products Ltd	77.8	5.8	79.5	72.4

Global Equity Indices	Close	Change	High	Low
Hang Seng	16161.14	821.65	16513.2	15442.76
HSCEI	5482.52	312.01	5626.5	5217.02
Shanghai Comp Index	3070.8	72.99	3081.59	2996.997
Nikkei 225	27199.7	-463.65	27389.3	27032.02
KOSPI	2348.43	19.26	2348.43	2316.29
S&P/ASX200	6892.46	34.579	6895	6829.6
DJIA	32403.2	401.97	32611.5	31938.92
S&P 500	3770.55	50.66	3796.34	3708.84
NASDAQ	10475.3	132.31	10553.6	10262.93
DAX	13459.9	329.66	13542.4	13193.51
CAC	6416.44	2.77	6466.32	6289.07
FTSE100	7334.84	146.21	7376.23	7188.63

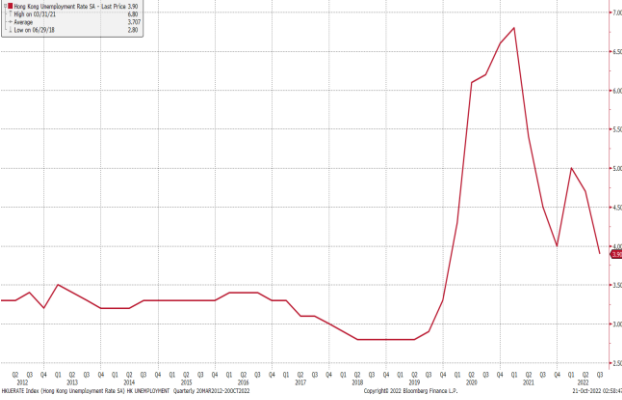
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
11/07/2022	Foreign Reserves	Oct	--	--	\$419.2b	--
11/11/2022 16:30	GDP YoY	3Q F	--	--	-4.50%	--
11/11/2022 16:30	GDP SA QoQ	3Q F	--	--	-2.60%	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
11/04/2022	BoP Current Account Balance	3Q P	--	\$144.0b	\$77.5b	--
05/11/2022 05/18	FDI YTD YoY CNY	Apr	--	--	--	--
11/07/2022	Foreign Reserves	Oct	\$3039.00b	--	\$3028.96b	--
11/07/2022	Exports YoY	Oct	4.50%	--	5.70%	--
11/07/2022	Imports YoY	Oct	0.00%	--	0.30%	--
11/07/2022	Trade Balance	Oct	\$95.97b	--	\$84.74b	--
11/07/2022	Exports YoY CNY	Oct	12.70%	--	10.70%	--
11/07/2022	Imports YoY CNY	Oct	10.00%	--	5.20%	--
11/07/2022	Trade Balance CNY	Oct	702.90b	--	573.57b	--

### Hong Kong GDP Q on Q



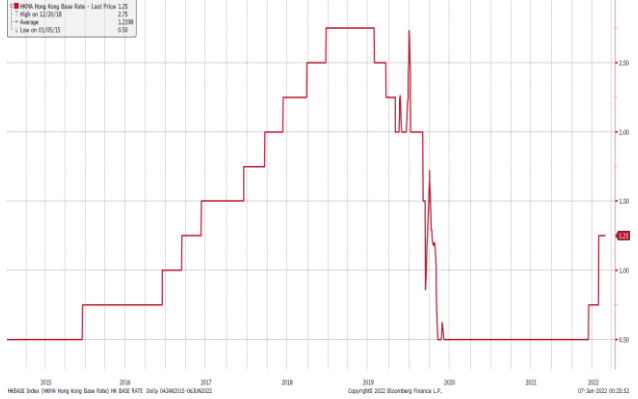
### Hong Kong Unemployment Rate



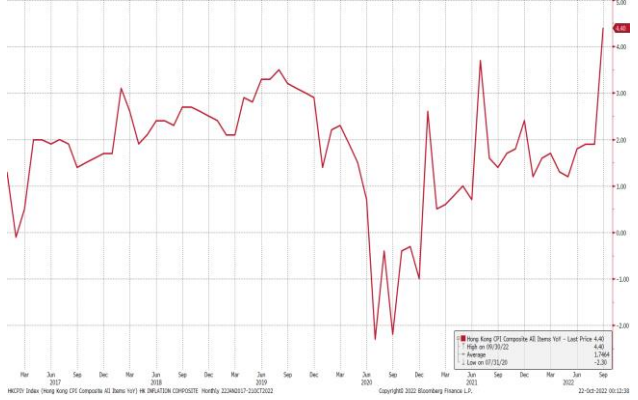
### Hong Kong Housing Inflation



### Hong Kong Base Interest Rate



### Hong Kong Composite Inflation



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



(Source: Bloomberg)

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