

Fundamentals:

Hong Kong stocks fell from a three-week high as traders locked up gains from the past five-day rally while looking for catalysts to support China reopening bets. A growing number of Covid-19 cases is challenging that optimism.

The Hang Seng Index slipped 0.2 per cent to 16,557.31 at the close, snapping a powerful 13 per cent surge this month. The Hang Seng Tech Index dropped 1.6 per cent and the Shanghai Composite Index fell by 0.4 per cent.

Alibaba Group Holding retreated 3.7 per cent to HK\$67.10 and Meituan slumped 2.8 per cent to HK\$148.80 while Baidu lost 2.6 per cent to HK\$83.65 after China's cybersecurity regulator hinted the curbs on the tech sector will remain. Budweiser declined 3 per cent to HK\$18.96. Limiting losses, Macau casino operator Sands China added 3.6 per cent to HK\$17.66 and Country Garden gained 2.1 per cent to HK\$1.44.

Stocks in Hong Kong have gained US\$430 billion in capitalisation over the past week as investors speculated China will end its zero-Covid policy sooner, because of the rising costs to the economy.

Today's retreat followed a government report showing 7,323 new Covid-19 infections in mainland China, the most since April 30, challenging calls for an end to Beijing's zero-Covid policy. China's health authority said on Saturday it would "unswervingly" continue to enforce the stringent curbs.

Hua Hong Semiconductor retreated 3 per cent to HK\$22.30 and Semiconductor Manufacturing International Corp dropped by as much as 0.8 per cent before closing 0.4 per cent higher at HK\$16.94. China's chip imports slumped by 13 per cent in the first 10 months, highlighting the US-China tech challenges on advanced chips.

China's exports unexpectedly slumped last month for the first time since May 2020, as Covid-19 infections affected factory production and shipments. Weak external demand also contributed to the slump, after monetary policy tightening in major economies stoked recession fears.

Medical device maker Lepu Sciencetech Medical Technology was unchanged at HK\$29.15 on the first day of trading in Hong Kong. Fujian South Highway Machinery rose by the 44 per cent daily limit to 34.20 yuan in its Shanghai debut.

Other major Asian markets all rose before a US government report later this week that is expected to show inflation slowed in October. Japan's Nikkei 225 gained 1.3 per cent and South Korea's Kospi added 1.2 per cent, while Australia's S&P/ASX 200 climbed 0.4 per cent.

(Source: South China Morning Post)

HONG KONG INDEX FUTURES DAILY PREVIEW

Date Prepared : 09/Nov/2022

Mini Hang Seng Futures Daily Chart



Mini Hang Seng China Enterprise Futures Daily Chart



Technical Analysis

Mini Hang Seng

1st Resistance:	16829	2nd Resistance:	17077
1st Support:	16331	2nd Support:	16083
MACD:	-383.998		
MACD DIFF:	216.757		
RSI:	52.0181		

Mini Hang Seng China Enterprise

1st Resistance:	5699	2nd Resistance:	5783
1st Support:	5531	2nd Support:	5447
MACD:	-145.060		
MACD DIFF:	74.877		
RSI:	51.2183		

Strategy:

Mini Hang Seng:	Long: Profit target: 16331	Stop-loss: 16495	16250	Long: Profit target: 16083	Stop-loss: 16243	16002
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	Short: Profit target: 16829	Stop-loss: 16660	16913	Short: Profit target: 17077	Stop-loss: 16907	17163
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Mini Hang Seng China Enterprise:	Long: Profit target: 5531	Stop-loss: 5586	5503	Long: Profit target: 5447	Stop-loss: 5501	5419
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	Short: Profit target: 5699	Stop-loss: 5642	5728	Short: Profit target: 5783	Stop-loss: 5726	5812
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Contracts	Chg	Sett	High	Low
H. SENG FUT NOV 22	-77	16580	16782	16445
H. SENG FUT DEC 22	-69	16635	16800	16500
H. SENG FUT MAR 23	-73	16763	16880	16648
H. SENG FUT JUN 23	-73	16681	16784	16606
MINI H. SENG FUT NOV 22	-77	16580	16783	16445
MINI H. SENG FUT DEC 22	-69	16635	16830	16500
MINI H. SENG FUT MAR 23	-73	16763	16950	16630
MINI H. SENG FUT JUN 23	-73	16681	16810	16551
HSCEI FUT NOV 22	-33	5615	5711	5560
HSCEI FUT DEC 22	-34	5637	5705	5586
HSCEI FUT MAR 23	-35	5712	5763	5662
HSCEI FUT JUN 23	-33	5697	5712	5648
MINI HSCEI FUT NOV 22	-33	5615	5710	5560
MINI HSCEI FUT DEC 22	-34	5637	5720	5584
MINI HSCEI FUT MAR 23	-35	5712	5769	5670
MINI HSCEI FUT JUN 23	-33	5697	5763	5649

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	68.7	1	68.8	67.25
**Tencent Holdings Ltd	245.8	0.4	252	242.8
*HSBC Holdings PLC	43	0	43.4	42.7
**China Construction Bank Corp	4.39	0.02	4.44	4.35
**Ping An Insurance Group	36.1	-0.7	37	35.8
**Meituan	148.8	-4.2	155.9	146.6
*Hong Kong Exchanges & Clearing Ltd	261.6	2	267.8	257.4
**Alibaba Group Holdings Ltd	67.1	-2.6	69	66.4
**Xiaomi Corp	10.16	-0.04	10.42	10.04
**ICBC	3.59	0.01	3.62	3.55

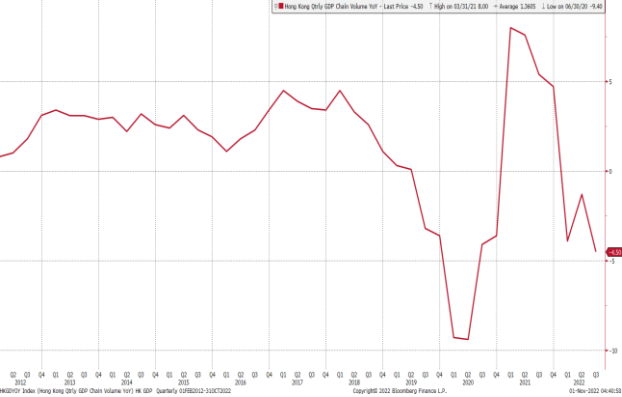
Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	46.8	-0.2	48.5	46.15
**China Mobile Ltd	48.35	0.2	48.5	47.8
**Bank of China Ltd	2.63	0.01	2.65	2.61
*Techtronic Industries Co Ltd	82.5	0.45	83.2	81.15
*CK Hutchison Holdings Ltd	42.25	0.4	42.4	41.85
*Link REIT	51.85	0.1	52	50.6
*CLP Holding Ltd	55.6	0.85	55.75	54.5
**Geely Automobile Holdings Ltd	10.98	0.16	11.36	10.68
**CNOOC Ltd	10.2	0.06	10.3	10.1
**ANTA Sports Products Ltd	79.7	-0.4	82	78.2

Global Equity Indices	Close	Change	High	Low
Hang Seng	16557.31	-38.6	16719	16429.81
HSCEI	5602.61	-33.6	5680.24	5549.25
Shanghai Comp Index	3064.49	-13.324	3078.28	3047.462
Nikkei 225	27872.1	344.47	27943.3	27704.64
KOSPI	2399.04	27.25	2400.39	2375.67
S&P/ASX200	6958.87	25.165	6968	6933.7
DJIA	33160.8	333.83	33355.4	32831.46
S&P 500	3828.11	21.31	3859.4	3786.28
NASDAQ	10616.2	51.68	10745.6	10472.73
DAX	13688.8	155.23	13689.6	13487.91
CAC	6441.5	0.39	6451.16	6378.32
FTSE100	7306.14	6.15	7313.46	7244.83

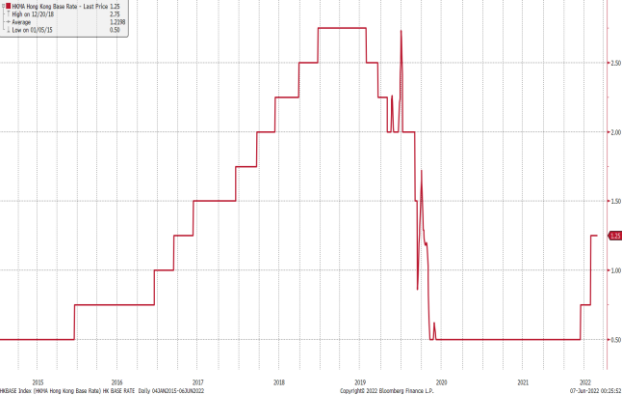
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
11/11/2022 16:30	GDP YoY	3Q F	--	--	-4.50%	--
11/11/2022 16:30	GDP SA QoQ	3Q F	--	--	-2.60%	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
11/09/2022 09:30	PPI YoY	Oct	-1.50%	--	0.90%	--
11/09/2022 09:30	CPI YoY	Oct	2.40%	--	2.80%	--
11/09/2022 11:15	Aggregate Financing CNY	Oct	1600.0b	--	3530.0b	3527.1b
11/09/2022 11:15	New Yuan Loans CNY	Oct	800.0b	--	2470.0b	2473.8b
11/09/2022 11:15	Money Supply M2 YoY	Oct	12.00%	--	12.10%	--
11/09/2022 11:15	Money Supply M1 YoY	Oct	6.50%	--	6.40%	--
11/09/2022 11:15	Money Supply M0 YoY	Oct	12.80%	--	13.60%	--
11/11/2022 11:20	FDI YTD YoY CNY	Oct	--	--	15.60%	--

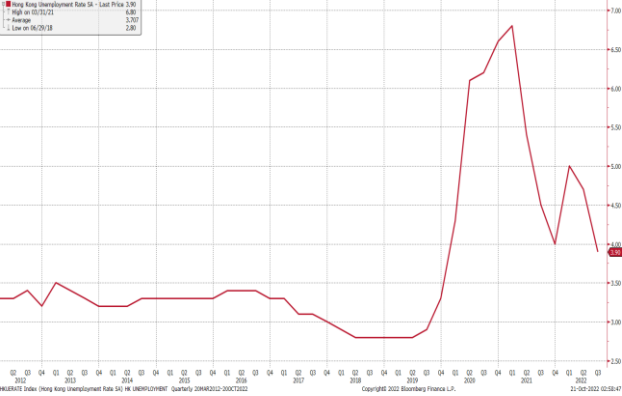
Hong Kong GDP Q on Q



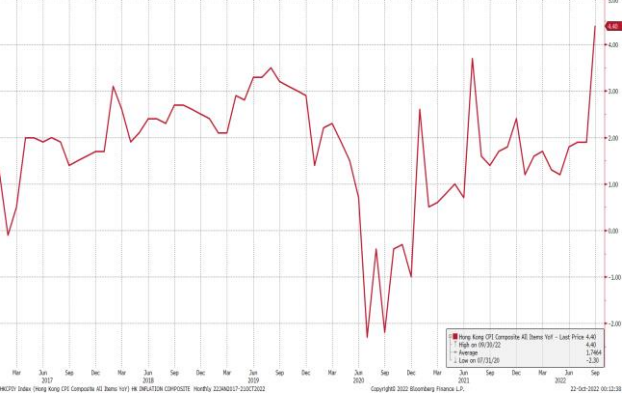
Hong Kong Base Interest Rate



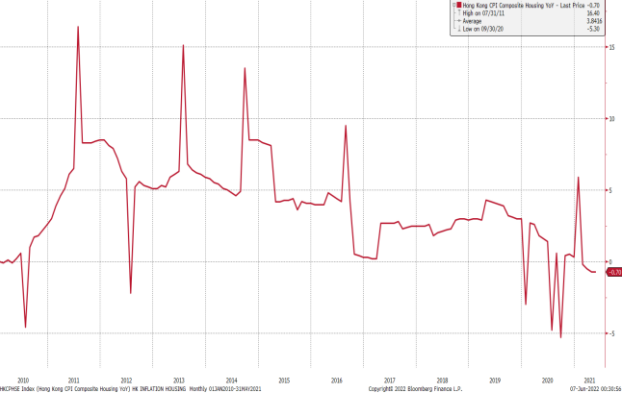
Hong Kong Unemployment Rate



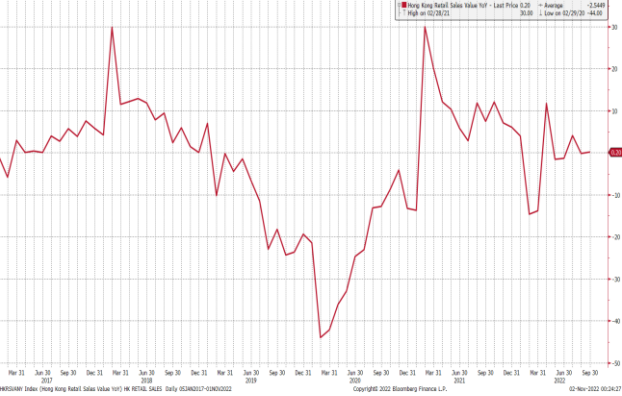
Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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