

Fundamentals:

Hong Kong stocks advanced with gains in HSBC, carmakers and developers catapulting the city's benchmark index to the biggest rally in 24 years. Bets on China's exit from zero-Covid policy and other policy stimulus inspired risk-taking.

The Hang Seng Index rose 2.2 per cent to 18,597.23 at the close on Wednesday. The gauge soared 27 per cent in November, capping the biggest monthly gain since October 1998. The Tech Index rallied 2.8 per cent, while the Shanghai Composite Index completed an 8.9 per cent gain for the month.

HSBC climbed 2.2 per cent to HK\$47.25 after the UK lender agreed to sell its Canadian business. Geely Automobile surged 1.1 per cent to HK\$11.38 and hotpot restaurant operator Haidilao jumped 15 per cent to HK\$19.12. Meituan added 5.3 per cent to HK\$163.60 while carmaker BYD added 5.2 per cent to HK\$191.50 and peer Xpeng rallied 16 per cent to HK\$33.65 before its quarterly report card.

Hong Kong's stock market recouped US\$808 billion in value in November through Tuesday, after Beijing eased some pandemic restrictions and unveiled measures to bail out cash-strapped developers. China's onshore market recovered US\$909 billion of capitalisation in the same period, according to Bloomberg data.

HSBC also said it was "proactively" considering a one-time dividend or fresh stock buy-back. The London-headquartered lender's dividend payout is an important focus for Hong Kong's retail base, which historically has owned a large chunk of the bank.

Property developers were the biggest winners in November. Country Garden Services jumped 198 per cent, while its affiliated property management firm Country Garden Services surged 179 per cent. Longfor Group climbed 136 per cent. China this month unveiled a 16-point plan to rescue cash-strapped builders, end equity financing freeze and unleash more liquidity in the banking system to spur lending.

China will strive to boost the vaccination rate among its older citizens, the nation's health authority said on Tuesday, which is seen by some analysts as a precondition for its eventual reopening. China's zero-Covid policy "has passed the point of no return" as its political will to impose lockdowns is exhausted, research firm Alpine Macro said.

Daily infections remained elevated across the country, with 37,612 new cases on Tuesday. China's top security body pledged to crack down on "hostile forces" after street protests against lockdowns broke out in mainland cities including Shanghai and Beijing over the weekend.

Meanwhile, traders bet policymakers in Beijing will step up on recent stimulus efforts, after a statistics bureau report showed a slump in manufacturing deepened in November. The purchasing managers' index fell to 48 from 49.2 in October, versus market consensus of 49. A reading below 50 indicates contraction.

Benchmarks tracking Chinese stocks in offshore and onshore markets are still in the red this year. The Hang Seng Index has retreated 21 per cent while the Shanghai Composite lost 13 per cent.

Two companies started trading in Shenzhen. KSEC Intelligent Technology, which develops logistics automation systems, jumped 44 per cent to 20.01 yuan and Jiangsu Canopus Wisdom Medical Technology, a medical equipment maker, advanced 20 per cent to 53.12 yuan.

(Source: South China Morning Post)

Contracts	Chg	Sett	High	Low
H. SENG FUT DEC 22	283	18617	18725	18123
H. SENG FUT JAN 23	256	18694	18783	18015
H. SENG FUT MAR 23	297	18767	18840	18309
H. SENG FUT JUN 23	291	18705	18788	18334
MINI H. SENG FUT DEC 22	283	18617	18724	18123
MINI H. SENG FUT JAN 23	#N/A	N/A	18694	18788
MINI H. SENG FUT MAR 23	297	18767	18850	18265
MINI H. SENG FUT JUN 23	291	18705	18800	18240
HSCEI FUT DEC 22	109	6392	6432	6180
HSCEI FUT JAN 23	106	6419	6446	6217
HSCEI FUT MAR 23	106	6474	6505	6269
HSCEI FUT JUN 23	105	6459	6466	6310
MINI HSCEI FUT DEC 22	109	6392	6432	6181
MINI HSCEI FUT JAN 23	#N/A	N/A	6419	6450
MINI HSCEI FUT MAR 23	106	6474	6505	6278
MINI HSCEI FUT JUN 23	105	6459	6496	6255

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	78.5	2.3	78.75	76.65
**Tencent Holdings Ltd	287.2	1.4	292.6	280
*HSBC Holdings PLC	47.25	1	47.65	46.9
**China Construction Bank Corp	4.71	-0.01	4.74	4.65
**Ping An Insurance Group	47.75	0.5	48	46.55
**Meituan	163.6	8.2	165.9	150.7
*Hong Kong Exchanges & Clearing Ltd	306	6	310	296
**Alibaba Group Holdings Ltd	79.9	1.15	80.9	76.45
**Xiaomi Corp	10.32	0.35	10.36	9.78
**ICBC	3.91	0.03	3.93	3.82

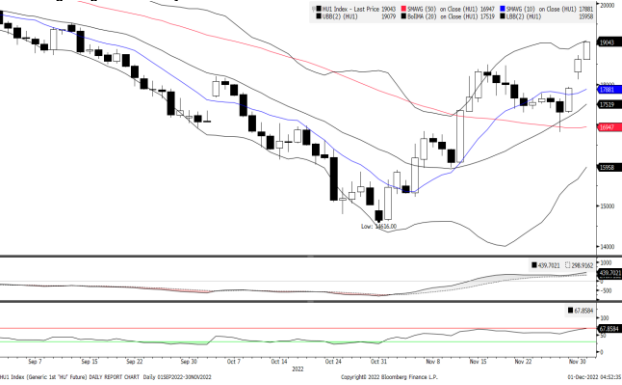
Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	50.15	1.2	50.15	47.1
**China Mobile Ltd	51.75	0.25	52.8	51.2
**Bank of China Ltd	2.77	0.01	2.77	2.71
*Techtronic Industries Co Ltd	92.8	3.9	92.9	85.25
*CK Hutchison Holdings Ltd	45.3	1.05	45.3	43.95
*Link REIT	52.5	-0.1	53	52.15
*CLP Holding Ltd	56.6	0.1	57	56.15
**Geely Automobile Holdings Ltd	11.38	1.12	11.38	10.02
**CNOOC Ltd	10.2	0.02	10.32	10.08
**ANTA Sports Products Ltd	90.9	3.25	91.2	84.75

Global Equity Indices	Close	Change	High	Low
Hang Seng	18597.23	392.55	18645.4	18052.32
HSCEI	6374.44	137.72	6398.38	6148
Shanghai Comp Index	3151.34	1.587	3158.57	3137.369
Nikkei 225	27969	-58.85	27972.9	27802.71
KOSPI	2472.53	39.14	2472.53	2421.42
S&P/ASX200	7284.17	30.865	7293.7	7222.3
DJIA	34589.8	737.24	34589.8	33583.77
S&P 500	4080.11	122.48	4080.11	3938.58
NASDAQ	11468	484.22	11468.5	10966.53
DAX	14397	41.59	14487.7	14363.32
CAC	6738.55	1.04	6743.6	6678.75
FTSE100	7573.05	61.05	7599.27	7512

HONG KONG INDEX FUTURES DAILY PREVIEW

Date Prepared : 01/Dec/2022

Mini Hang Seng Futures Daily Chart



Mini Hang Seng China Enterprise Futures Daily Chart



Technical Analysis

Mini Hang Seng

1st Resistance:	18896	2nd Resistance:	19176
1st Support:	18338	2nd Support:	18058
MACD:	357.101		
MACD DIFF:	93.334		
RSI:	64.7659		

Mini Hang Seng China Enterprise

1st Resistance:	6488	2nd Resistance:	6584
1st Support:	6296	2nd Support:	6200
MACD:	127.317		
MACD DIFF:	38.731		
RSI:	64.883		

Strategy:

Mini Hang Seng:

Long: Profit target:	18338	18521	18246	Long: Profit target:	18058	18239	17968
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Short: Profit target:	18896	18707	18991	Short: Profit target:	19176	18984	19271
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Mini Hang Seng China Enterprise:

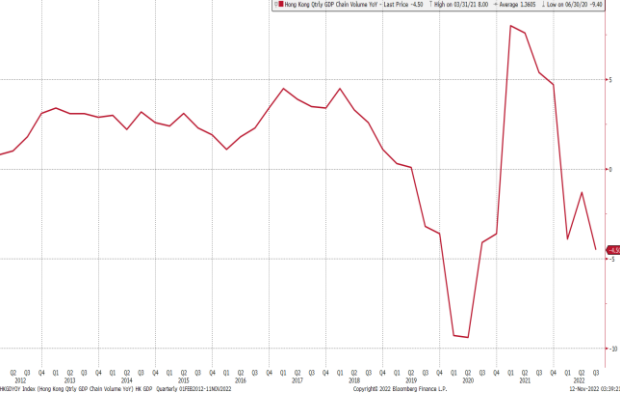
Long: Profit target:	6296	6359	6265	Long: Profit target:	6200	6262	6169
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Short: Profit target:	6488	6423	6520	Short: Profit target:	6584	6518	6617
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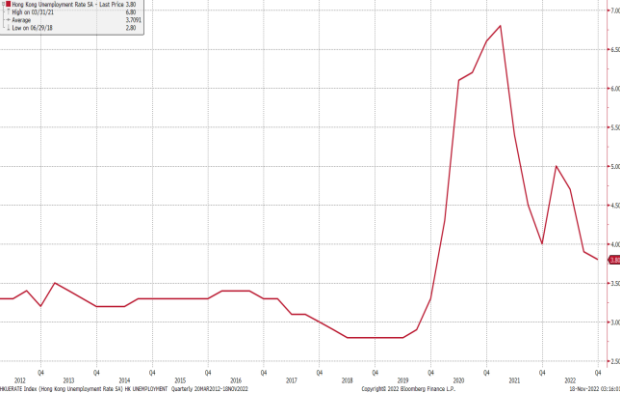
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
11/30/2022 16:30	Budget Balance HKD	Oct	--	-22.8b	-70.0b	--
11/30/2022 16:32	Money Supply M2 HKD YoY	Oct	--	-2.20%	-0.80%	--
11/30/2022 16:32	Money Supply M1 HKD YoY	Oct	--	-15.40%	-11.40%	--
11/30/2022 16:32	Money Supply M3 HKD YoY	Oct	--	-2.20%	-0.80%	--
12/01/2022 16:30	Retail Sales Value YoY	Oct	-2.10%	--	-0.20%	--
12/01/2022 16:30	Retail Sales Volume YoY	Oct	-3.60%	--	-1.50%	--
12/05/2022 08:30	S&P Global Hong Kong PMI	Nov	--	--	49.3	--
12/07/2022	Foreign Reserves	Nov	--	--	\$417.2b	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
11/30/2022 09:30	Composite PMI	Nov	--	47.1	49	--
11/30/2022 09:30	Manufacturing PMI	Nov	49	48	49.2	--
11/30/2022 09:30	Non-manufacturing PMI	Nov	48	46.7	48.7	--
12/01/2022 09:45	Caixin China PMI Mfg	Nov	48.9	--	49.2	--
12/05/2022 09:45	Caixin China PMI Composite	Nov	--	--	48.3	--
12/05/2022 09:45	Caixin China PMI Services	Nov	48	--	48.4	--
12/07/2022	Foreign Reserves	Nov	--	--	\$3052.43b	--
12/07/2022	Exports YoY	Nov	-4.50%	--	-0.30%	--
12/07/2022	Imports YoY	Nov	-11.10%	--	-0.70%	--
12/07/2022	Trade Balance	Nov	\$80.15b	--	\$85.15b	--
12/07/2022	Exports YoY CNY	Nov	--	--	7.00%	--
12/07/2022	Imports YoY CNY	Nov	--	--	6.80%	--
12/07/2022	Trade Balance CNY	Nov	--	--	586.81b	--

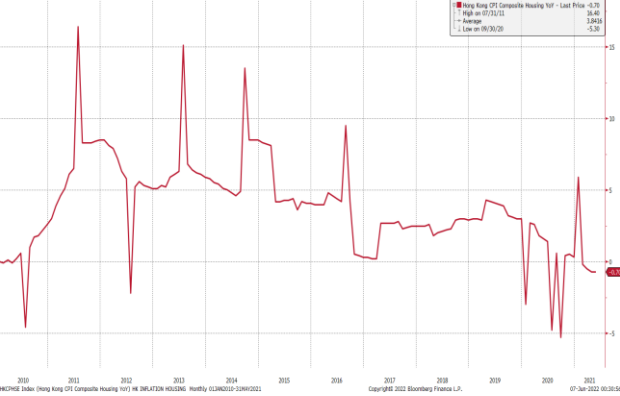
Hong Kong GDP Q on Q



Hong Kong Unemployment Rate



Hong Kong Housing Inflation



(Source: Bloomberg)

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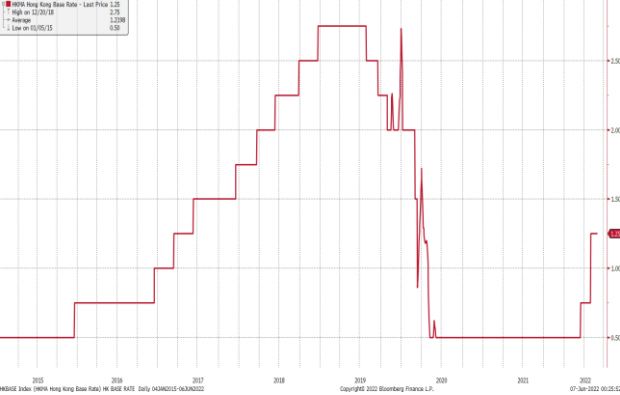
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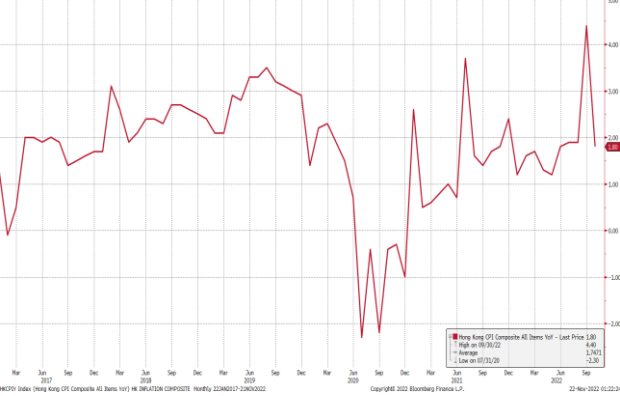
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Hong Kong Base Interest Rate



Hong Kong Composite Inflation



Hong Kong Retail Sale Value Y on Y %

