

Fundamentals:

Hong Kong stocks rose after the city removed all restrictions on inbound travellers by allowing them access to public venues up on arrivals. Stocks also rose before a US report that is expected to show that inflation slowed last month.

The Hang Seng Index climbed 0.7 per cent to 19,596.20 at the close. The Hang Seng Tech Index rose by the same amount and the Shanghai Composite Index slipped 0.1 per cent.

Meituan gained 2.1 per cent to HK\$179, and Tencent advanced 0.3 per cent to HK\$318.40. Macau casino operator Sands China rose 4.3 per cent to HK\$26.55, and Galaxy Entertainment added 2.4 per cent to HK\$52.60. Chip maker Semiconductor Manufacturing International Corp surged 9.7 per cent to HK\$18.18 on a media report that China is working on a 1 trillion yuan (US\$143.3 billion) package to support the industry. Guangzhou R&F Properties tumbled 12 per cent to HK\$2.15 after founder Zhang Li was arrested in London for offering bribes to secure a contract in the US for affiliate Z&L Properties.

Starting Wednesday, Hong Kong will scrap an amber health code that currently bans travellers who test negative from entering certain places of business, such as restaurants, within three days of arriving in the city, Chief Executive John Lee Ka-chiu said on Tuesday.

Expectations that decelerating US inflation will bolster the case for the Federal Reserve to roll back interest-rate increases also buoyed sentiment. American consumer prices probably rose 7.3 per cent in November, slowing from a 7.7 per cent increase a month earlier, according to the estimates of economists tracked by Bloomberg.

The Fed is widely expected to raise benchmark borrowing costs by 50 basis points in its rate decision meeting on Thursday, halting a run of four straight 75-basis-point increases. Among the 105 economist polled by Bloomberg, all but one predict an increase by 50 basis points after Fed Chair Jerome Powell pivoted to a dovish tone in early December.

Gains were limited as investors remain cautious about the strength of China's recovery from the damage of the pandemic. New yuan loan growth trailed analysts' projections in November, according to the data by the central bank, underscoring sluggish demand for corporate lending on the lack of confidence in re-investments.

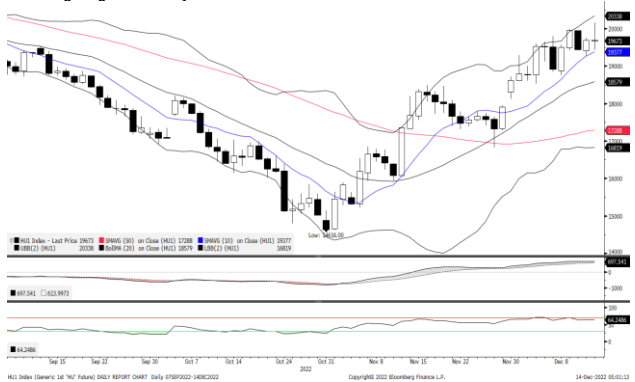
Investors are also keeping a close watch on the Covid situation in China, where new infections have surged in Beijing to overwhelm hospitals with patients after the faster-than-expected dismantling of pandemic-containment measures.

Terence Energy Equipment, which makes natural gas equipment and parts, slumped 6.7 per cent to 15.10 yuan on its first day of trading in Beijing.

Other major Asian markets were mixed. Japan's Nikkei 225 climbed 0.4 per cent per cent and Australia's S&P/ASX 200 added 0.3 per cent, while South Korea's Kospi retreated less than 0.1 per cent.

(Source: South China Morning Post)

Mini Hang Seng Futures Daily Chart



Mini Hang Seng China Enterprise Futures Daily Chart



Technical Analysis

Mini Hang Seng

1st Resistance: 19984 2nd Resistance: 20280
 1st Support: 19394 2nd Support: 19098
 MACD: 700.399
 MACD DIFF: 107.172
 RSI: 64.4692

Mini Hang Seng China Enterprise

1st Resistance: 6789 2nd Resistance: 6890
 1st Support: 6589 2nd Support: 6488
 MACD: 247.428
 MACD DIFF: 35.228
 RSI: 62.2975

Strategy:

Mini Hang Seng: Long: Profit target: 19098, Stop-loss: 19289, 19003
 Long: Profit target: 19394, Stop-loss: 19588, 19297

Mini Hang Seng China Enterprise: Long: Profit target: 6488, Stop-loss: 6553, 6456
 Long: Profit target: 6589, Stop-loss: 6655, 6556

Mini Hang Seng China Enterprise: Short: Profit target: 20280, Stop-loss: 20077, 20381
 Short: Profit target: 19984, Stop-loss: 19784, 20084

Mini Hang Seng China Enterprise: Short: Profit target: 6789, Stop-loss: 6721, 6823
 Short: Profit target: 6789, Stop-loss: 6721, 6823

Contracts	Chg	Sett	High	Low
H. SENG FUT DEC 22	247	19689	19759	19273
H. SENG FUT JAN 23	243	19779	19840	19370
H. SENG FUT MAR 23	245	19845	19900	19459
H. SENG FUT JUN 23	249	19790	19780	19557
MINI H. SENG FUT DEC 22	247	19689	19758	19273
MINI H. SENG FUT JAN 23	243	19779	19848	19366
MINI H. SENG FUT MAR 23	245	19845	19912	19427
MINI H. SENG FUT JUN 23	249	19790	19851	19386
HSCEI FUT DEC 22	60	6689	6754	6551
HSCEI FUT JAN 23	58	6720	6779	6588
HSCEI FUT MAR 23	60	6778	6834	6645
HSCEI FUT JUN 23	62	6769	6673	6671
MINI HSCEI FUT DEC 22	60	6689	6753	6551
MINI HSCEI FUT JAN 23	58	6720	6786	6588
MINI HSCEI FUT MAR 23	60	6778	6841	6666
MINI HSCEI FUT JUN 23	62	6769	6823	6687

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	86.8	1.8	87.1	84.7
**Tencent Holdings Ltd	318.4	0.8	325	315.6
*HSBC Holdings PLC	47.7	0.1	47.7	47
**China Construction Bank Corp	4.71	0	4.72	4.67
**Ping An Insurance Group	50.95	0.6	51.55	50.45
**Meituan	179	3.6	183.9	174.9
*Hong Kong Exchanges & Clearing Ltd	343.2	4	343.8	335.6
**Alibaba Group Holdings Ltd	88.35	0	90.25	87.1
**Xiaomi Corp	11.2	0.02	11.48	11.02
**ICBC	3.84	-0.02	3.87	3.83

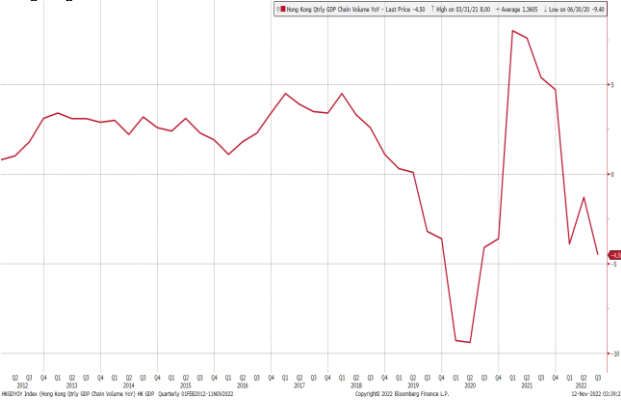
Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	51.35	-0.5	51.85	50.45
**China Mobile Ltd	51.45	0.1	51.7	51.05
**Bank of China Ltd	2.73	0	2.75	2.72
*Techtronic Industries Co Ltd	92.05	-2.95	95	91.6
*CK Hutchison Holdings Ltd	45.2	-0.05	45.5	44.9
*Link REIT	57.55	2.15	57.85	55.05
*CLP Holding Ltd	56.9	0.05	57.2	56.6
**Geely Automobile Holdings Ltd	12.18	0.16	12.5	12
**CNOOC Ltd	10	0.15	10.06	9.89
**ANTA Sports Products Ltd	96.2	-0.2	97.5	94.55

Global Equity Indices	Close	Change	High	Low
Hang Seng	19596.20	132.57	19707.8	19382.3
HSCEI	6654.85	26.55	6727.05	6601.66
Shanghai Comp Index	3176.33	-2.717	3187.2	3171.483
Nikkei 225	27954.9	112.52	28116.6	27907.49
KOSPI	2372.4	-0.62	2388.27	2364.87
S&P/ASX200	7203.27	22.44	7228.1	7180.8
DJIA	34108.6	103.6	34712.3	33890.88
S&P 500	4019.65	29.09	4100.96	3993.03
NASDAQ	11256.8	113.07	11571.6	11160.54
DAX	14497.9	191.26	14675.8	14302.49
CAC	6744.98	1.42	6823.1	6642.09
FTSE100	7502.89	56.92	7553.36	7428.98

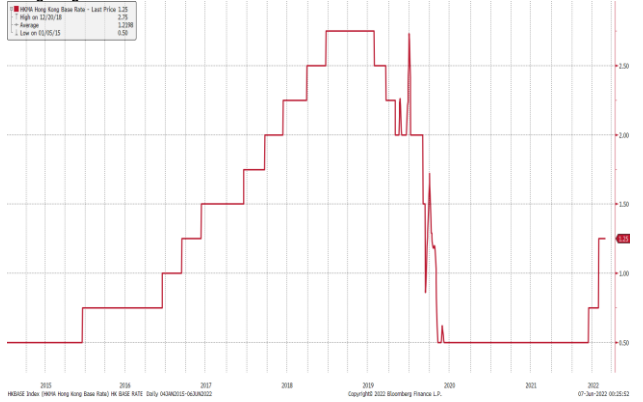
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
12/13/2022	16:30	Industrial Production YoY	3Q	--	-0.60%	2.70%
12/13/2022	16:30	PPI YoY	3Q	--	0.40%	0.80%
12/16/2022	16:30	Unemployment Rate SA	Nov	3.70%	--	3.80%
12/20/2022	16:30	CPI Composite YoY	Nov	--	--	1.80%
12/21/2022	16:30	BoP Current Account Balance	3Q	--	--	-\$30.90b
12/21/2022	16:30	BoP Overall	3Q	--	--	-\$159.81b

China Economic Releases		Period	Survey	Actual	Prior	Revised
12/13/2022	12:20	FDI YTD YoY CNY	Nov	--	--	14.40%
12/15/2022	09:20	1-Yr Medium-Term Lending Facility Ra	Dec-15	2.75%	--	2.75%
12/15/2022	09:20	1-Yr Medium-Term Lending Facilities V	Dec-15	500.0b	--	850.0b
12/15/2022	09:30	New Home Prices MoM	Nov	--	--	-0.37%
12/15/2022	10:00	Industrial Production YoY	Nov	3.50%	--	5.00%
12/15/2022	10:00	Industrial Production YTD YoY	Nov	4.00%	--	4.00%
12/15/2022	10:00	Retail Sales YoY	Nov	-4.00%	--	-0.50%
12/15/2022	10:00	Retail Sales YTD YoY	Nov	0.50%	--	0.60%
12/15/2022	10:00	Fixed Assets Ex Rural YTD YoY	Nov	5.60%	--	5.80%
12/15/2022	10:00	Property Investment YTD YoY	Nov	-9.20%	--	-8.80%
12/15/2022	10:00	Residential Property Sales YTD YoY	Nov	--	--	-28.20%
12/15/2022	10:00	Surveyed Jobless Rate	Nov	5.60%	--	5.50%
12/15/2022		FX Net Settlement - Clients CNY	Nov	--	--	-83.3b

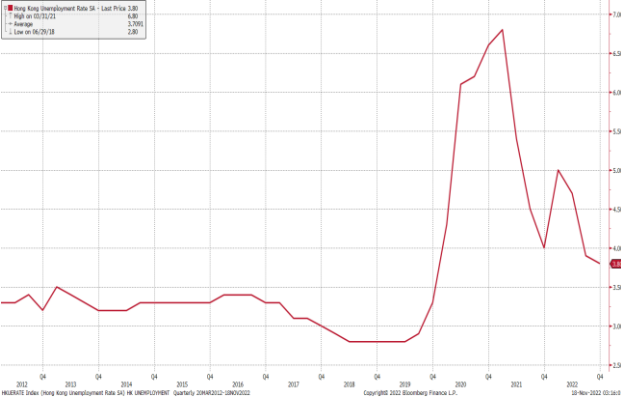
Hong Kong GDP Q on Q



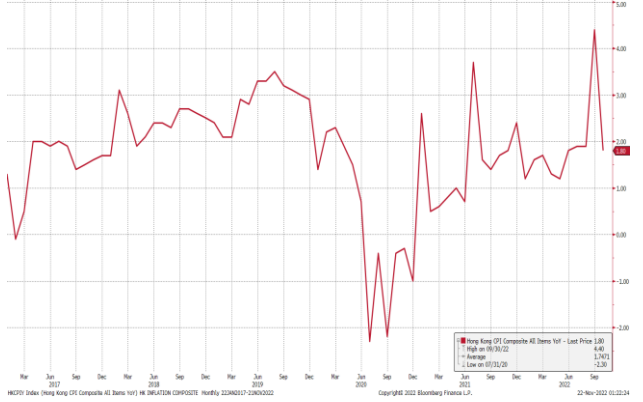
Hong Kong Base Interest Rate



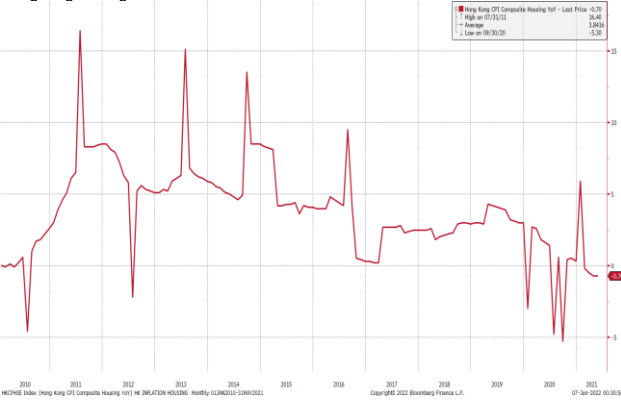
Hong Kong Unemployment Rate



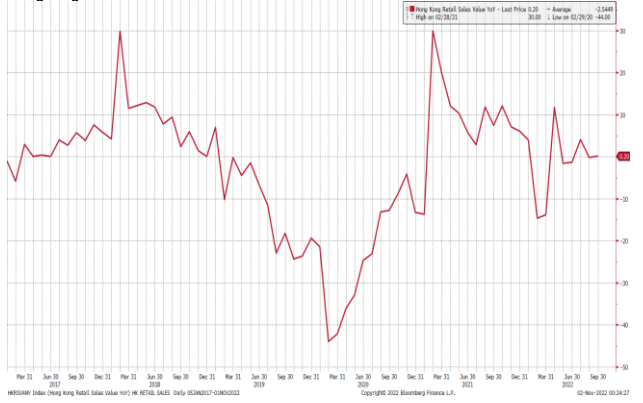
Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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