

Fundamentals:

Hong Kong stocks erased gains as China struggles to contain new Covid-19 infections, marring efforts to refocus on shoring up the nation's economic growth with stronger policy support.

The Hang Seng Index dropped 0.5 per cent to 19,352.81 at the closing of Monday trading, overturning an earlier gain of as much as 1.7 per cent. The Tech Index lost 0.6 per cent while the Shanghai Composite Index slumped 1.9 per cent.

Macau casino operator Sands China tumbled 3.7 per cent to HK\$24.95 while rival Galaxy Entertainment lost 4.5 per cent to HK\$50.15. Alibaba Health lost 8 per cent to HK\$7.41, while Chinese drug maker Hansoh Pharmaceutical and CSPC Pharmaceutical slipped by 6.4 and 4.1 per cent, respectively.

Since Chinese authorities began easing up on Covid-19 curbs, concerns about new infections have prompted residents to stock up on test kits and medicines as a precaution. Shanghai's education authority said the city will shut most schools again from Monday to stem a new wave.

China's National Health Commission reported 1,918 new cases on Monday, down from 2,028 the previous day. Nearly 1 million people in mainland China could die if the population is not protected by a fourth vaccination jab, the University of Hong Kong said in a study.

The Hang Seng Index has risen 4.1 per cent so far in December on the back of continued China reopening optimism, which helped restore US\$223 billion to the broader market in Hong Kong. Still, a 17.3 per cent loss so far this year means the benchmark is on course for its worst year since 2011.

Stocks had earlier begun the week brightly after President Xi Jinping and other senior officials vowed to revive consumption and support the private sector at the two-day Central Economic Work Conference that ended on Friday, signalling a shift in policy from its pandemic-fighting focus in recent years.

China's monetary stimulus in 2023 "will not be smaller than this year," local media reported on Saturday, citing comments by Liu Guoqi, the deputy governor of the People's Bank of China, at a forum in Beijing on Saturday.

Asian markets retreated on Monday. The Nikkei 225 dropped 1.1 per cent in Japan, while the benchmarks in Australia and South Korea retreated 0.2 to 0.3 per cent.

(Source: South China Morning Post)

Contracts	Chg	Sett	High	Low
H. SENG FUT DEC 22	55	19440	19831	19281
H. SENG FUT JAN 23	63	19533	19911	19375
H. SENG FUT MAR 23	57	19595	19951	19458
H. SENG FUT JUN 23	56	19532	19809	19389
MINI H. SENG FUT DEC 22	55	19440	19832	19281
MINI H. SENG FUT JAN 23	63	19533	19918	19380
MINI H. SENG FUT MAR 23	57	19595	19981	19450
MINI H. SENG FUT JUN 23	56	19532	19920	19385
HSCEI FUT DEC 22	17	6637	6805	6582
HSCEI FUT JAN 23	22	6674	6834	6619
HSCEI FUT MAR 23	18	6728	6878	6678
HSCEI FUT JUN 23	19	6717	6762	6665
MINI HSCEI FUT DEC 22	17	6637	6805	6582
MINI HSCEI FUT JAN 23	22	6674	6838	6620
MINI HSCEI FUT MAR 23	18	6728	6850	6680
MINI HSCEI FUT JUN 23	19	6717	6875	6668

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	83.55	-1.05	85.3	83.15
**Tencent Holdings Ltd	320.4	3.6	328.8	316.8
*HSBC Holdings PLC	46.95	-0.05	47.05	46.65
**China Construction Bank Corp	4.64	-0.06	4.72	4.61
**Ping An Insurance Group	49.9	-1.1	51.75	49.35
**Meituan	178.8	2.9	187	177.1
*Hong Kong Exchanges & Clearing Ltd	329.6	-3.2	340.6	326.4
**Alibaba Group Holdings Ltd	87.05	0.6	90.8	86.4
**Xiaomi Corp	10.78	-0.2	11.22	10.66
**ICBC	3.8	-0.04	3.87	3.77

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	50.2	-1.1	52.25	50
**China Mobile Ltd	51.2	-0.35	51.55	50.9
**Bank of China Ltd	2.76	0	2.77	2.74
*Techtronic Industries Co Ltd	88.1	-2.85	90.3	87.6
*CK Hutchison Holdings Ltd	45.25	-0.2	45.6	45.1
*Link REIT	55.35	-0.3	56.05	55.1
*CLP Holding Ltd	55.9	1.35	56	54.6
**Geely Automobile Holdings Ltd	12.12	-0.24	12.58	12.08
**CNOOC Ltd	9.95	-0.05	10.02	9.81
**ANTA Sports Products Ltd	98.45	-0.65	100.4	97

Global Equity Indices	Close	Change	High	Low
Hang Seng	19352.81	-97.86	19786.3	19255.95
HSCEI	6604.62	-30.13	6782.5	6564.74
Shanghai Comp Index	3107.12	-60.743	3170.26	3096.098
Nikkei 225	27237.6	-289.48	27349.6	27165.78
KOSPI	2352.17	-7.85	2358.76	2342.28
S&P/ASX200	7133.87	-14.807	7152.7	7123.1
DJIA	32757.5	-162.92	33038.9	32581.97
S&P 500	3817.66	-34.7	3854.86	3800.04
NASDAQ	10546	-159.38	10714	10497.55
DAX	13942.9	49.8	14001.4	13927.05
CAC	6473.29	0.32	6510.46	6470.93
FTSE100	7361.31	29.19	7385.38	7332.12

HONG KONG INDEX FUTURES DAILY PREVIEW

Date Prepared : 20/Dec/2022

Mini Hang Seng Futures Daily Chart



Mini Hang Seng China Enterprise Futures Daily Chart



Technical Analysis

Mini Hang Seng

1st Resistance:	19732	2nd Resistance:	20023
1st Support:	19148	2nd Support:	18857
MACD:	604.100		
MACD DIFF:	-18.5407		
RSI:	60.6277		

Mini Hang Seng China Enterprise

1st Resistance:	6737	2nd Resistance:	6836
1st Support:	6537	2nd Support:	6438
MACD:	210.310		
MACD DIFF:	-8.982		
RSI:	59.5855		

Strategy:

Mini Hang Seng:	Long: Profit target: 19148	Stop-loss: 19340	19053	Long: Profit target: 18857	Stop-loss: 19045	18763
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	Short: Profit target: 19732	Stop-loss: 19534	19830	Short: Profit target: 20023	Stop-loss: 19823	20123
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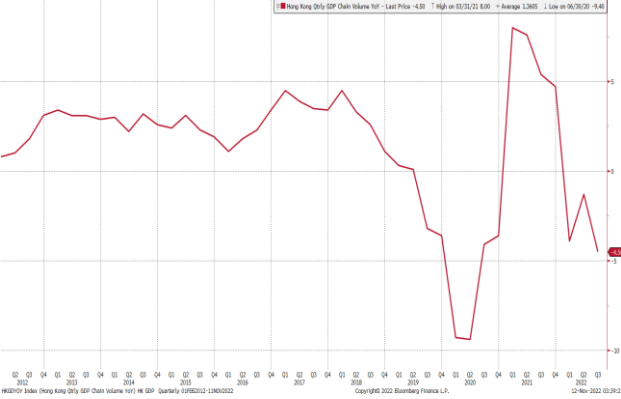
Mini Hang Seng China Enterprise:	Long: Profit target: 6537	Stop-loss: 6603	6505	Long: Profit target: 6438	Stop-loss: 6502	6406
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	Short: Profit target: 6737	Stop-loss: 6669	6770	Short: Profit target: 6836	Stop-loss: 6768	6870
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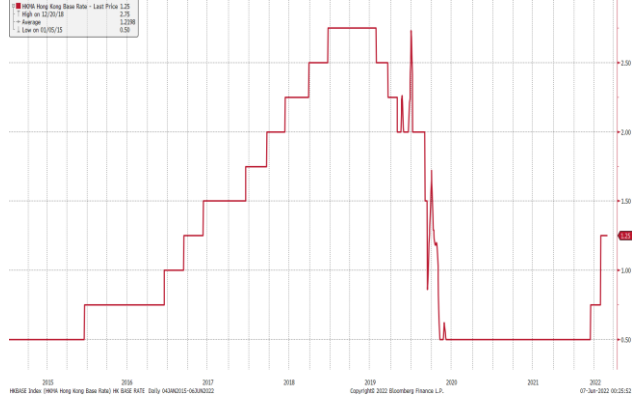
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
12/16/2022 16:30	Unemployment Rate SA	Nov	3.70%	3.70%	3.80%	--
12/20/2022 16:30	CPI Composite YoY	Nov	--	--	1.80%	--
12/21/2022 16:30	BoP Current Account Balance	3Q	--	--	-\$30.90b	\$30.04b
12/21/2022 16:30	BoP Overall	3Q	--	--	-\$159.81b	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
12/20/2022 09:15	1-Year Loan Prime Rate	Dec-20	3.65%	--	3.65%	--
12/20/2022 09:15	5-Year Loan Prime Rate	Dec-20	4.30%	--	4.30%	--
12/19/2022 12:20	FDI YTD YoY CNY	Nov	--	--	14.40%	--
12/22/2022 09:00	Swift Global Payments CNY	Nov	--	--	2.13%	--
12/23/2022 10:35	China Plans to Sell CNY 182-Day Bills					
12/27/2022 09:30	Industrial Profits YTD YoY	Nov	--	--	-3.00%	--
12/27/2022 09:30	Industrial Profits YoY	Nov	--	--	--	--

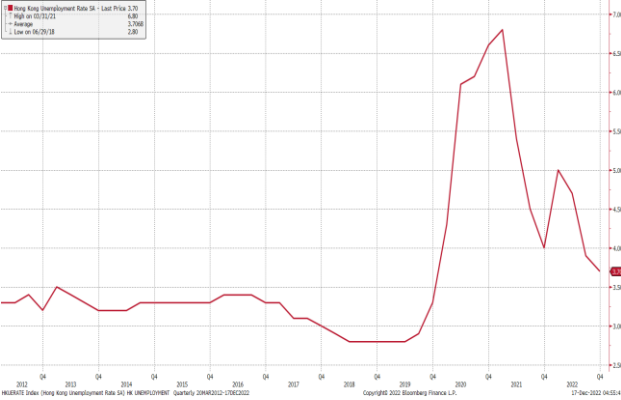
Hong Kong GDP Q on Q



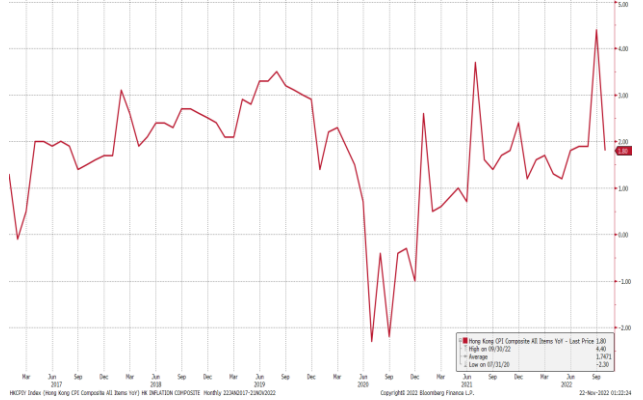
Hong Kong Base Interest Rate



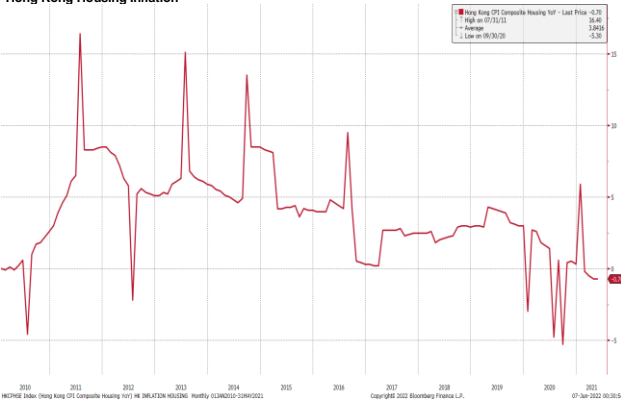
Hong Kong Unemployment Rate



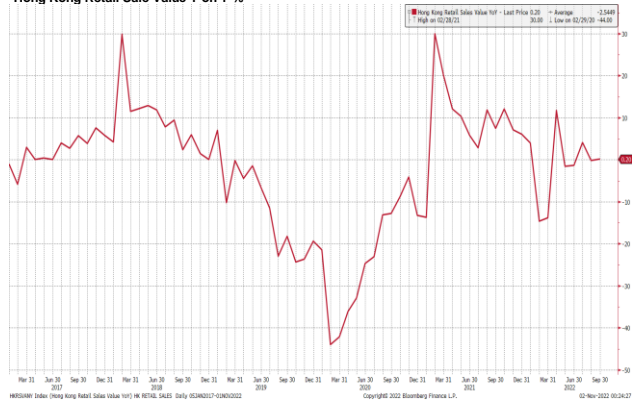
Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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