

**Fundamentals:**

Hong Kong stocks rose to a three-month high, paced by a rally in Alibaba Group Holding and Tencent Holdings, after China loosened Covid-related curbs in top-tier cities and in at least other 10 provincial capitals in further signs of reopening momentum.

The Hang Seng Index jumped 4.5 per cent to 19,518.29, the highest close since September 1. The Hang Seng Tech Index rallied 9.3 per cent at the close of trading, the most in three weeks, while the Shanghai Composite Index added 1.8 per cent.

Alibaba surged 9.3 per cent to HK\$92.65, and Tencent gained 6.1 per cent to HK\$314 while Meituan and JD.com added 3.8 per cent and 11 per cent, respectively. AIA rose 4.7 per cent to HK\$83.40, hotspot restaurant operator Haidilao climbed 7.7 per cent to HK\$21.80 and developer Longfor rallied 17 per cent to HK\$26.

Morgan Stanley upgraded Chinese stocks in the MSCI China Index to overweight within its emerging-market allocation strategy, after holding to its equal-weight call for almost two years.

Global funds have piled into Chinese stocks before Shanghai, Hangzhou and Wuhan dropped requirements for access public transport and venues from this week. They joined other cities including Beijing and Guangzhou in easing intent, despite a surge in infections in recent weeks.

Stocks in Hong Kong and mainland bourses have recovered about US\$560 billion in market capitalisation since November 11, when Beijing rolled out a 20-point guideline on easing pandemic rules. Recent anti-lockdown protests in Beijing, Shanghai and Guangzhou have prompted policymakers to rethink their applications.

The rebound was also aided by a recovery in the yuan offshore, which has strengthened 5.3 per cent since sliding to a record-low of 7.343 per dollar last month. The Federal Reserve has also signalled it may be done with jumbo hikes of 75 basis points as US consumer prices started to cool.

Elsewhere, BYD added 2.4 per cent to HK\$196 after saying that sales of electric cars surged 219 per cent from a year earlier in the first 11 months of the year. Its Shenzhen-traded stock rose 0.5 per cent to 263.36 yuan.

GeeTek slumped by as much as 5.7 per cent in Shenzhen, before recovering 2.1 per cent to 2.27 yuan. The Apple parts supplier expected net income for the first nine months to drop between 50 per cent and 60 per cent from a year earlier from a loss of contract.

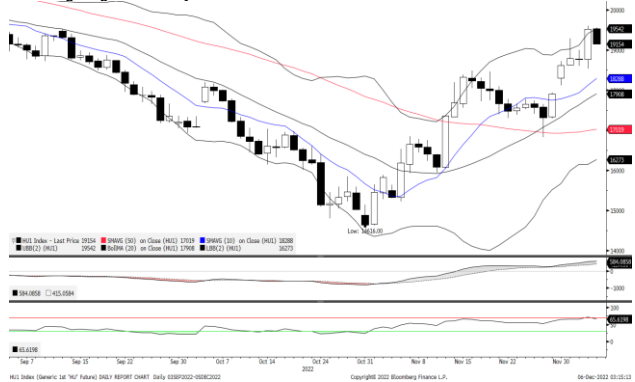
Zhejiang Weigang Technology, a maker of print equipment, jumped by the 44 per cent daily limit to 19.84 yuan on its first day of trading in Shenzhen.

Trading in mainland stocks will be halted for three minutes on Tuesday as a mark of respect for former President Jiang Zemin, who died last week. That will be in conjunction with a memorial service on Tuesday. The Gold and Silver Exchange in Hong Kong will also halt to observe a three minute silence at 9am on Tuesday.

Other major Asian markets were mixed. Japan's Nikkei 225 climbed 0.2 per cent and Australia's S&P/ASX 200 added 0.3 per cent, while South Korea's Kospi lost 0.6 per cent.

(Source: South China Morning Post)

Mini Hang Seng Futures Daily Chart



Mini Hang Seng China Enterprise Futures Daily Chart



Contracts	Chg	Sett	High	Low
H. SENG FUT DEC 22	760	19530	19606	18527
H. SENG FUT JAN 23	766	19609	19680	18650
H. SENG FUT MAR 23	770	19676	19738	18729
H. SENG FUT JUN 23	780	19620	19669	19222
MINI H. SENG FUT DEC 22	760	19530	19606	18532
MINI H. SENG FUT JAN 23	766	19609	19683	18611
MINI H. SENG FUT MAR 23	770	19676	19750	18700
MINI H. SENG FUT JUN 23	780	19620	19692	18652
HSCEI FUT DEC 22	313	6716	6741	6324
HSCEI FUT JAN 23	312	6745	6762	6386
HSCEI FUT MAR 23	317	6804	6812	6437
HSCEI FUT JUN 23	319	6792	6744	6400
MINI HSCEI FUT DEC 22	313	6716	6742	6323
MINI HSCEI FUT JAN 23	312	6745	6768	6365
MINI HSCEI FUT MAR 23	317	6804	6831	6418
MINI HSCEI FUT JUN 23	319	6792	6809	6487

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	83.4	3.75	83.9	81.05
**Tencent Holdings Ltd	314	18	317	302.4
*HSBC Holdings PLC	47.2	0.3	47.65	47.15
**China Construction Bank Corp	4.71	0.05	4.74	4.67
**Ping An Insurance Group	52.95	6.15	53.1	48.15
**Meituan	174.3	6.3	176	168.9
*Hong Kong Exchanges & Clearing Ltd	329.4	14.2	331.8	318.8
**Alibaba Group Holdings Ltd	92.65	7.85	92.85	87.25
**Xiaomi Corp	11.5	1.38	11.52	10.38
**ICBC	3.85	0.03	3.9	3.82

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	55.05	3.25	55.35	52.5
**China Mobile Ltd	53	1.65	53.3	51.35
**Bank of China Ltd	2.71	0.01	2.74	2.71
*Techtronic Industries Co Ltd	100	2.8	100.3	97.35
*CK Hutchison Holdings Ltd	44.65	0.65	44.9	44.1
*Link REIT	52.6	0.6	53.5	52.25
*CLP Holding Ltd	55.5	0.7	55.9	54.7
**Geely Automobile Holdings Ltd	12.1	0.52	12.4	11.92
**CNOOC Ltd	10.06	0.09	10.14	9.96
**ANTA Sports Products Ltd	98.45	5.75	99.5	95.35

Global Equity Indices	Close	Change	High	Low
Hang Seng	19518.29	842.94	19539.6	19035.14
HSCEI	6706.29	337.55	6710.5	6506.86
Shanghai Comp Index	3211.81	55.67	3213.44	3177.064
Nikkei 225	27820.4	42.5	27854.1	27700.86
KOSPI	2419.32	-15.01	2442.22	2413.05
S&P/ASX200	7325.6	24.141	7351	7301.5
DJIA	33947.1	-482.78	34335.7	33846.81
S&P 500	3998.84	-72.86	4052.45	3984.49
NASDAQ	11239.9	-221.56	11425.5	11193.02
DAX	14447.6	-81.78	14507.2	14394.37
CAC	6696.96	-0.67	6738.97	6685.52
FTSE100	7567.54	11.31	7598.21	7547.76

**Technical Analysis**

*Mini Hang Seng*

1st Resistance:	19823	2nd Resistance:	20116
1st Support:	19237	2nd Support:	18944
MACD:	551.077		
MACD DIFF:	178.054		
RSI:	71.2081		

*Mini Hang Seng China Enterprise*

1st Resistance:	6817	2nd Resistance:	6917
1st Support:	6615	2nd Support:	6515
MACD:	198.713		
MACD DIFF:	68.239		
RSI:	70.9902		

**Strategy:**

*Mini Hang Seng:*

Long: Profit target:	19237	19429	19141	Long: Profit target:	18944	19134	18849
Short: Profit target:	19823	19625	19922	Short: Profit target:	20116	19915	20216

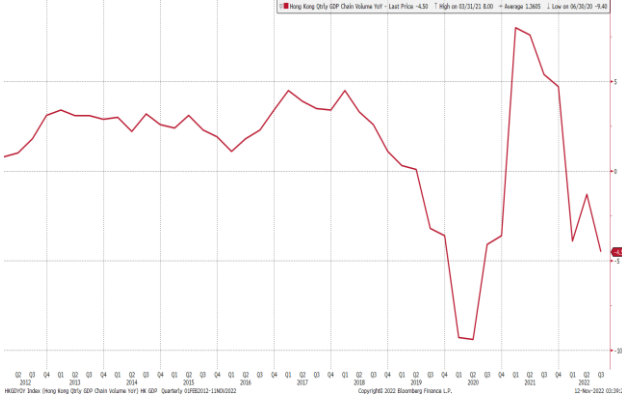
*Mini Hang Seng China Enterprise:*

Long: Profit target:	6615	6681	6582	Long: Profit target:	6515	6580	6482
Short: Profit target:	6817	6749	6851	Short: Profit target:	6917	6848	6952

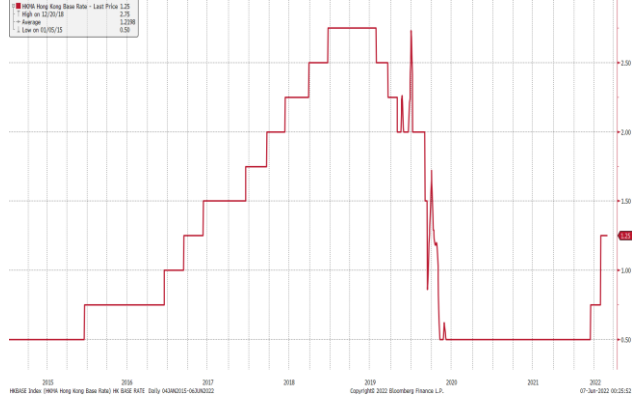
Hong Kong Economic Releases	Period	Survey	Actual	Prior	Revised
12/05/2022 08:30   Kong PMI	Nov	--	48.7	49.3	--
12/07/2022   Reserves	Nov	--	--	\$417.2b	--
12/13/2022 16:30   iction YoY	3Q	--	--	2.70%	--
12/13/2022 16:30   PPI YoY	3Q	--	--	0.80%	--

China Economic Releases	Period	Survey	Actual	Prior	Revised
12/05/2022 09:45   Caixin China PMI Composite	Nov	--	47	48.3	--
12/05/2022 09:45   Caixin China PMI Services	Nov	48	46.7	48.4	--
12/07/2022   Foreign Reserves	Nov	\$3102.00b	--	\$3052.43b	--
12/07/2022   Exports YoY	Nov	-4.30%	--	-0.30%	--
12/07/2022   Imports YoY	Nov	-7.10%	--	-0.70%	--
12/07/2022   Trade Balance	Nov	\$78.10b	--	\$85.15b	--
12/07/2022   Exports YoY CNY	Nov	8.20%	--	7.00%	--
12/07/2022   Imports YoY CNY	Nov	7.10%	--	6.80%	--
12/07/2022   Trade Balance CNY	Nov	486.00b	--	586.81b	--

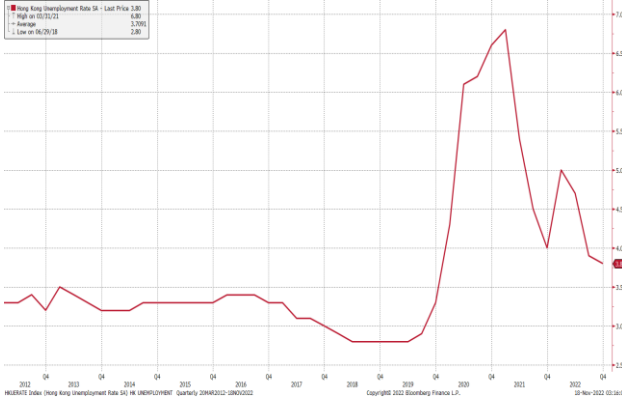
### Hong Kong GDP Q on Q



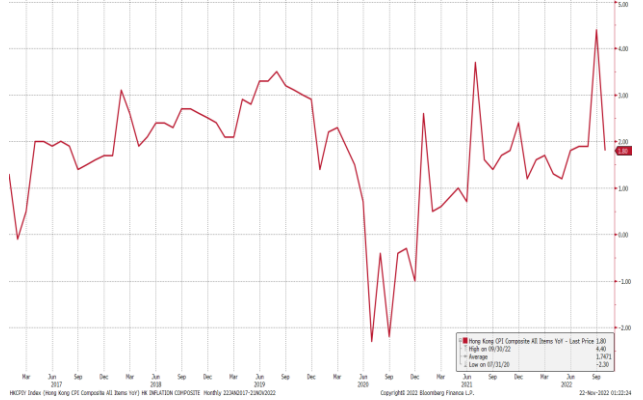
### Hong Kong Base Interest Rate



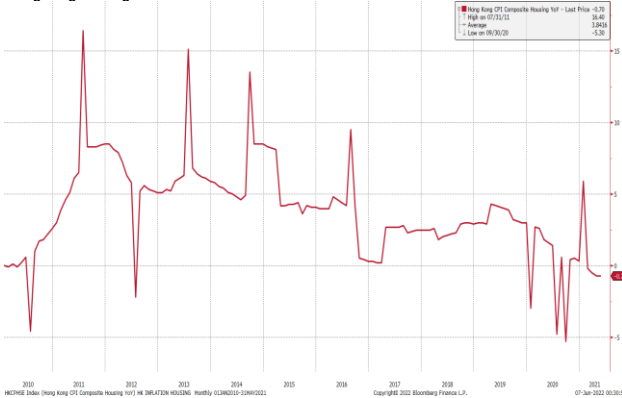
### Hong Kong Unemployment Rate



### Hong Kong Composite Inflation



### Hong Kong Housing Inflation



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



(Source: Bloomberg)

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