

Fundamentals:

Hong Kong stocks advanced, reversing a two-day slide, after China's top health officials said the nation is getting closer to a return to normalcy, justifying additional measures to ease its zero-Covid regime.

The Hang Seng Index jumped 3.4 per cent to 19,450.23 at the closing of Thursday trading. The Tech Index rallied 5.7 per cent while the Shanghai Composite Index lost 0.1 per cent.

Alibaba Group surged 5.1 per cent to HK\$89.40 and Tencent Holdings climbed 5.7 per cent to HK\$317.40. JD.com rose 5.5 per cent to HK\$234 and Meituan gained 6.4 per cent to HK\$178.30. Macau casino operator Sands China soared 9.4 per cent to HK\$25.70 and rival Galaxy Entertainment added 5.3 per cent to HK\$52.45.

China's State Council announced a new 10-point plan to ease Covid-19 controls on Wednesday, including mass testing and quarantine requirements and reducing the use of the health code system. That followed a 20-point plan on November 11 that helped spark the biggest monthly rally in Chinese stocks since October 1998.

The Hang Seng Index has risen 32.4 per cent from the lowest point in October, powered by the China reopening bets that helped recoup more than US\$1 trillion of market value in Hong Kong. Wall Street banks from Morgan Stanley to Goldman Sachs and Bank of America have turned more bullish on Beijing's zero-Covid policy pivot.

Goldman said the latest measures "further pave the way to an eventual exit from the zero-Covid policy," supporting its China reopening playbook that could deliver upside to the MSCI China and CSI 300 indices in 2023.

Further fuelling the optimism, Hong Kong will also loosen Covid control measures, including shorter isolation periods for the infected and their close contacts, the Post reported, citing people familiar with the plan.

Four stocks debuted on Thursday. Beijing Jingpin Special Technology jumped 44.5 per cent to 88.10 yuan and Ningbo Ocean Shipping surged 44 per cent to 11.84 yuan in Shanghai. Zhejiang Guanghua Technology soared 44 per cent to 39.97 yuan in Shenzhen while Wuhan HL Engineering Tool slumped 12 per cent to 12.47 yuan in Beijing.

Elsewhere, Asian markets traded lower with benchmark indexes in Japan and South declining 0.4 to 0.5 per cent, while the key gauge in Australia lost 0.8 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	587	19499	19570	18751
H. SENG FUT JAN 23	592	19585	19642	18850
H. SENG FUT MAR 23	587	19646	19700	18936
H. SENG FUT JUN 23	590	19589	19600	18850
MINI H. SENG FUT DEC 22	587	19499	19570	18750
MINI H. SENG FUT JAN 23	592	19585	19651	18836
MINI H. SENG FUT MAR 23	587	19646	19701	18907
MINI H. SENG FUT JUN 23	590	19589	19650	18885
HSCEI FUT DEC 22	215	6690	6713	6428
HSCEI FUT JAN 23	213	6721	6736	6482
HSCEI FUT MAR 23	215	6779	6794	6563
HSCEI FUT JUN 23	216	6767	6780	6550
MINI HSCEI FUT DEC 22	215	6690	6713	6428
MINI HSCEI FUT JAN 23	213	6721	6743	6460
MINI HSCEI FUT MAR 23	215	6779	6782	6520
MINI HSCEI FUT JUN 23	216	6767	6790	6541

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	83.75	3.95	84.5	79.6
**Tencent Holdings Ltd	317.4	17.2	318	304.2
*HSBC Holdings PLC	47.05	0.4	47.1	46.25
**China Construction Bank Corp	4.71	0.04	4.72	4.64
**Ping An Insurance Group	51.45	2.35	51.65	49.25
**Meituan	178.3	10.8	180	170.2
*Hong Kong Exchanges & Clearing Ltd	335.6	14.4	338	323.4
**Alibaba Group Holdings Ltd	89.4	4.35	91.1	86.3
**Xiaomi Corp	11.04	0.36	11.1	10.72
**ICBC	3.84	0.04	3.85	3.81

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	55.55	4.75	55.75	50.4
**China Mobile Ltd	51.4	-0.25	51.85	51.2
**Bank of China Ltd	2.71	0.04	2.71	2.69
*Techtronic Industries Co Ltd	93.25	-1	94.25	91.25
*CK Hutchison Holdings Ltd	44.4	0.7	44.45	43.6
*Link REIT	54.4	1.9	55.05	52.3
*CLP Holding Ltd	55.1	-0.35	55.4	54.6
**Geely Automobile Holdings Ltd	12.62	0.48	12.72	12.24
**CNOOC Ltd	9.81	-0.13	9.9	9.76
**ANTA Sports Products Ltd	97.3	2.95	98.5	95.05

Global Equity Indices	Close	Change	High	Low
Hang Seng	19450.23	635.41	19521.6	18965.05
HSCEI	6666.77	233.82	6690.55	6499.54
Shanghai Comp Index	3197.35	-2.269	3206.72	3187.257
Nikkei 225	27574.4	-111.97	27643.6	27415.66
KOSPI	2371.08	-11.73	2387.95	2357.2
S&P/ASX200	7175.55	-53.837	7229.4	7170
DJIA	33781.5	183.56	33899.2	33642.46
S&P 500	3963.51	29.59	3974.19	3935.83
NASDAQ	11082	123.45	11119.2	10939.47
DAX	14264.6	3.37	14298.8	14196.77
CAC	6647.31	-0.2	6679.57	6629.36
FTSE100	7472.17	-17.02	7507.98	7469.12

Technical Analysis

Mini Hang Seng

1st Resistance:	19791	2nd Resistance:	20084
1st Support:	19207	2nd Support:	18914
MACD:	641.013		
MACD DIFF:	146.421		
RSI:	66.4048		

Mini Hang Seng China Enterprise

1st Resistance:	6790	2nd Resistance:	6891
1st Support:	6590	2nd Support:	6489
MACD:	232.525		
MACD DIFF:	55.877		
RSI:	65.9372		

Strategy:

<i>Mini Hang Seng:</i>	Long: Profit target: 19207	Stop-loss: 19399	19110	Long: Profit target: 18914	Stop-loss: 19103	18819
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	Short: Profit target: 19791	Stop-loss: 19594	19890	Short: Profit target: 20084	Stop-loss: 19883	20184
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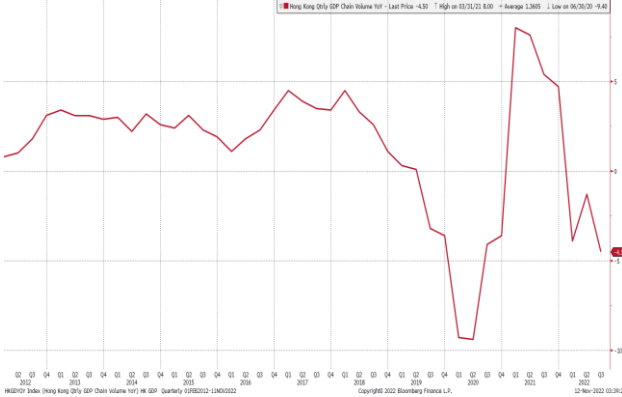
<i>Mini Hang Seng China Enterprise:</i>	Long: Profit target: 6590	Stop-loss: 6656	6557	Long: Profit target: 6489	Stop-loss: 6554	6457
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	Short: Profit target: 6790	Stop-loss: 6722	6824	Short: Profit target: 6891	Stop-loss: 6822	6925
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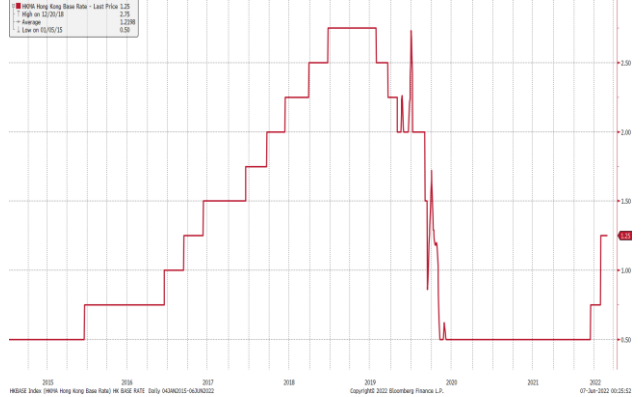
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
12/13/2022	16:30	Industrial Production YoY	3Q	--	--	2.70%
12/13/2022	16:30	PPI YoY	3Q	--	--	0.80%
12/16/2022	16:30	Unemployment Rate SA	Nov	--	--	3.80%

China Economic Releases		Period	Survey	Actual	Prior	Revised
12/09/2022	09:30	PPI YoY	Nov	-1.50%	--	-1.30%
12/09/2022	09:30	CPI YoY	Nov	1.60%	--	2.10%
12/09/2022	12:15	Aggregate Financing CNY	Nov	2100.0b	--	907.9b
12/09/2022	12:15	New Yuan Loans CNY	Nov	1400.0b	--	615.2b
12/09/2022	12:15	Money Supply M2 YoY	Nov	11.70%	--	11.80%
12/09/2022	12:15	Money Supply M1 YoY	Nov	5.60%	--	5.80%
12/09/2022	12:15	Money Supply M0 YoY	Nov	13.90%	--	14.30%
12/11/2022	12:20	FDI YTD YoY CNY	Nov	--	--	14.40%

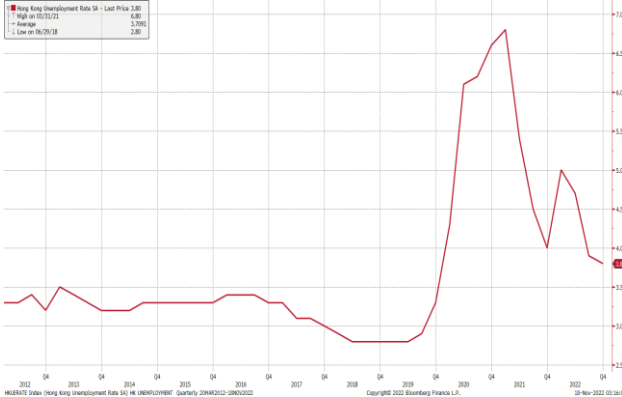
Hong Kong GDP Q on Q



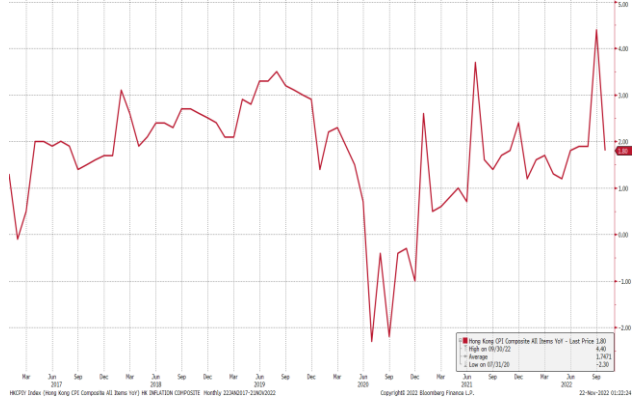
Hong Kong Base Interest Rate



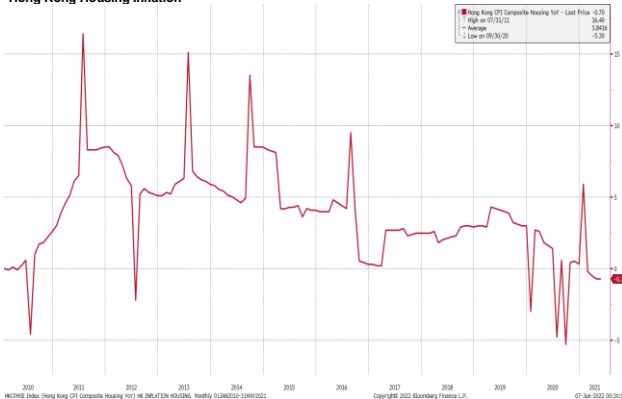
Hong Kong Unemployment Rate



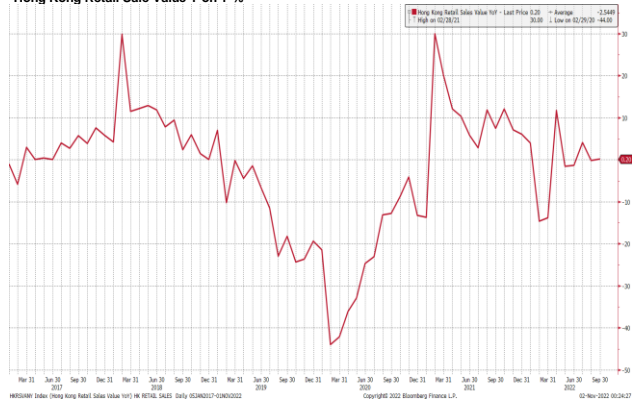
Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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