

Fundamentals:

Hong Kong stocks rose on the first day of trading following the Christmas break, as the market played catch-up to reflect gains in onshore markets following China's exit from its rigid Covid-19 restrictions.

The Hang Seng Index climbed 1.6 per cent to 19,898.91 at the close. The Hang Seng Tech Index advanced 2.1 per cent, and the Shanghai Composite Index retreated 0.3 per cent, falling for the first time this week.

Consumer stocks led the gain on the broader market. Hotpot restaurant operator Haidilao advanced 4.8 per cent to HK\$22.80, and sportswear brand Li Ning climbed 1.9 per cent to HK\$68.90. Alibaba Group Holding added 1.4 per cent to HK\$97.70, and Tencent Holdings climbed 1.9 per cent to HK\$326.20.

The gain on local stocks was largely in line with a rally on mainland China exchanges over the past two days, which was spurred by the official announcement that the nation will scrap all curbs on international travel and drop its quarantine requirements for arrivals starting January 8.

The mainland's benchmarks from the Shanghai Composite Index to the CSI 300 Index gained 1.6 per cent in the Monday-to-Tuesday period. The Dow Jones Industrial Average added 0.1 per cent overnight as trading resumed.

A consensus view says that China's economy will be back on the growth track early next year after the end of the zero-Covid approach. However, surging infections have already damaged growth, at least in the short term. In the big cities including Beijing and Shanghai, the healthcare system is under immense pressure, and factories have been forced to suspend production.

In the short term, when the pandemic will peak will decide the market performance. But in the long run, easing of the pandemic controls is for sure a catalyst for the economy, particularly the consumer sector.

Four companies started trading on the mainland. Shijiazhuang Shangtai Technology, a maker of materials for lithium-ion batteries, jumped by the 44 per cent daily limit to 48.73 yuan in Shenzhen. Suzhou Qingyue Optoelectronics Technology advanced 8.8 per cent to 9.97 yuan in Shanghai. Meanwhile, Hangzhou Ezviz Network lost 12 per cent to 25.25 yuan in Shanghai, and software developer Hangzhou Meideng Technology slumped 14 per cent to 21.50 yuan.

Other major Asian markets all dropped. Japan's Nikkei 225 slipped 0.4 per cent, while South Korea's Kospi retreated 2.2 per cent and Australia's S&P/ASX 200 lost 0.3 per cent.

In mainland China, the Shanghai Composite closed 0.26% lower at 3,087.4 and the Shenzhen Component fell 0.86% to 11,010.53. The offshore yuan was little changed and last stood at 6.707 against the U.S. dollar.

(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:	20323	2nd Resistance:	20624
1st Support:	19723	2nd Support:	19422
MACD:	463.993		
MACD DIFF:	-43.4313		
RSI:	65.085		

Mini Hang Seng China Enterprise

1st Resistance:	6915	2nd Resistance:	7017
1st Support:	6711	2nd Support:	6609
MACD:	152.616		
MACD DIFF:	-18.858		
RSI:	62.5103		

Strategy:

Mini Hang Seng:	Long: Profit target: 19723	Stop-loss: 19920	19624	Long: Profit target: 19422	Stop-loss: 19617	19325
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	Short: Profit target: 20323	Stop-loss: 20120	20425	Short: Profit target: 20624	Stop-loss: 20417	20727
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Mini Hang Seng China Enterprise:	Long: Profit target: 6711	Stop-loss: 6778	6677	Long: Profit target: 6609	Stop-loss: 6675	6576
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	Short: Profit target: 6915	Stop-loss: 6846	6950	Short: Profit target: 7017	Stop-loss: 6947	7052
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Contracts	Chg	Sett	High	Low
H. SENG FUT DEC 22	465	20023	20130	19759
H. SENG FUT JAN 23	493	20132	20222	19848
H. SENG FUT MAR 23	498	20208	20296	19920
H. SENG FUT JUN 23	491	20141	20240	19900
MINI H. SENG FUT DEC 22	465	20023	20130	19757
MINI H. SENG FUT JAN 23	493	20132	20221	19844
MINI H. SENG FUT MAR 23	498	20208	20299	19778
MINI H. SENG FUT JUN 23	491	20141	20241	19839
HSCEI FUT DEC 22	176	6813	6852	6698
HSCEI FUT JAN 23	186	6855	6887	6731
HSCEI FUT MAR 23	184	6910	6939	6808
HSCEI FUT JUN 23	187	6903	6930	6789
MINI HSCEI FUT DEC 22	176	6813	6852	6699
MINI HSCEI FUT JAN 23	186	6855	6887	6719
MINI HSCEI FUT MAR 23	184	6910	6940	6796
MINI HSCEI FUT JUN 23	187	6903	6923	6790

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	86.9	0.2	88.95	86.9
**Tencent Holdings Ltd	326.2	6	329.6	321.8
*HSBC Holdings PLC	48.5	0.6	49.05	47.95
**China Construction Bank Corp	4.86	0.19	4.88	4.69
**Ping An Insurance Group	51.25	0.8	52.05	50.8
**Meituan	184.2	1	189.6	182.8
*Hong Kong Exchanges & Clearing Ltd	342.6	2.6	349.6	339.4
**Alibaba Group Holdings Ltd	87.7	1.2	89.35	87.3
**Xiaomi Corp	11.22	0.42	11.36	10.92
**ICBC	4	0.15	4.03	3.87

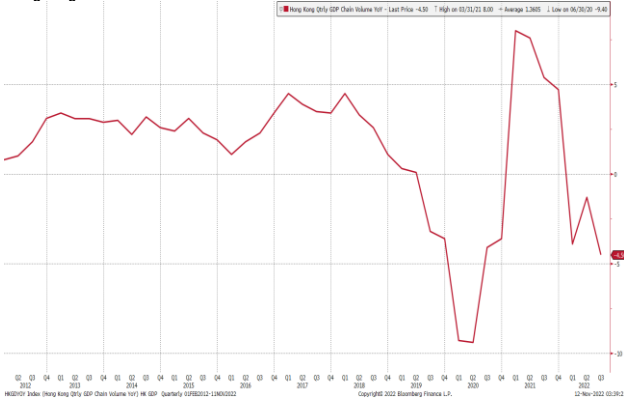
Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	57.8	3.75	59.55	54.45
**China Mobile Ltd	52.05	0.15	52.85	51.8
**Bank of China Ltd	2.84	0.06	2.87	2.79
*Techtron Industries Co Ltd	88.9	0.65	90.5	87.85
*CK Hutchison Holdings Ltd	47.25	1.05	47.8	46.7
*Link REIT	56.6	0.35	57.35	56.35
*CLP Holding Ltd	56.7	1.15	57.6	55.85
**Geely Automobile Holdings Ltd	11.36	-0.3	11.8	11.2
**CNOOC Ltd	9.98	0.17	10.04	9.91
**ANTA Sports Products Ltd	103	0.2	107.5	101.5

Global Equity Indices	Close	Change	High	Low
Hang Seng	19898.91	305.85	20099.8	19787.94
HSCEI	6772.76	129.86	6840.31	6706.06
Shanghai Comp Index	3087.4	-8.168	3098.65	3079.434
Nikkei 225	26340.5	-107.37	26354.3	26199.67
KOSPI	2280.45	-52.34	2296.45	2276.9
S&P/ASX200	7086.41	-21.282	7124	7069
DJIA	33041.4	-200.19	33379.6	32926.46
S&P 500	3801.2	-28.05	3848.32	3788.91
NASDAQ	10246.3	-106.9	10414.8	10219.64
DAX	13925.6	-69.5	14018.5	13914.62
CAC	6510.49	-0.61	6572.12	6505.67
FTSE100	7497.19	24.18	7547	7473.01

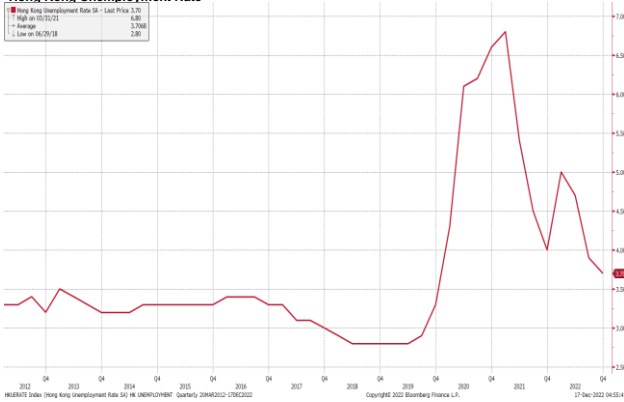
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
12/21/2022 16:30	BoP Current Account Balance	3Q	--	\$115.84b	\$30.90b	\$30.04b
12/21/2022 16:30	BoP Overall	3Q	--	-\$138.39b	-\$159.81b	--
12/29/2022 16:30	Exports YoY	Nov	-14.70%	--	-10.40%	--
12/29/2022 16:30	Imports YoY	Nov	-13.00%	--	-11.90%	--
12/29/2022 16:30	Trade Balance HKD	Nov	--	--	-20.9b	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
12/22/2022 09:00	Swift Global Payments CNY	Nov	--	2.37%	2.13%	--
12/21/2022 12:23	FDI YTD YoY CNY	Nov	--	9.90%	14.40%	--
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



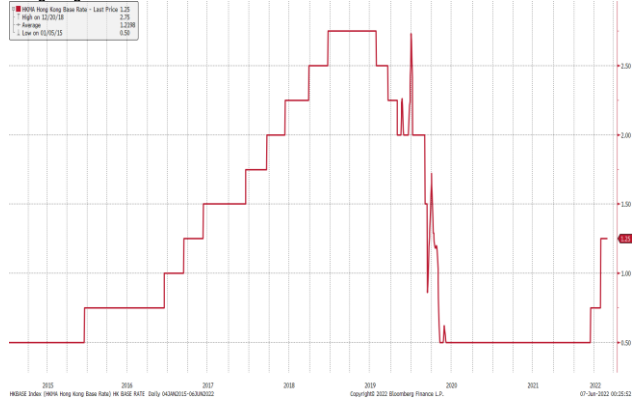
Hong Kong Unemployment Rate



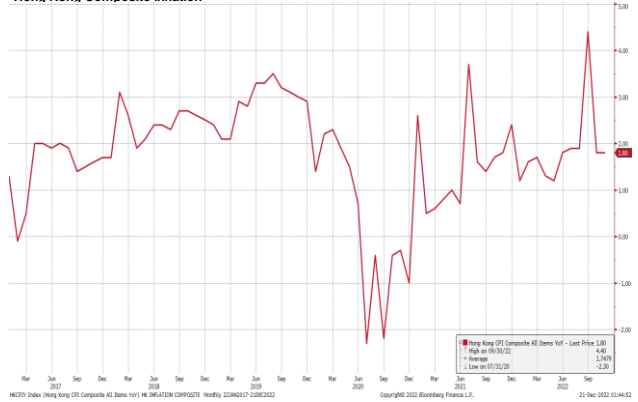
Hong Kong Housing Inflation



Hong Kong Base Interest Rate



Hong Kong Composite Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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