

Fundamentals:

Hong Kong stocks wavered as a three-day slide in Chinese tech leaders including Alibaba Group and Baidu retreated from overheated levels following rapid gains in the new year. An official report showed inflation quickened in China, hurting policy-easing outlook.

The Hang Seng Index rose 0.4 per cent to 21,514.10 at the close of Thursday trading, after swinging between gains and losses during the day. The Tech Index fell 1.3 per cent, and its three-day decline of almost 2 per cent was the worst in two months. The Shanghai Composite Index slipped 0.2 per cent.

Alibaba lost 1.9 per cent to HK\$110.80 and Tencent Holdings retreated 2.6 per cent to HK\$364 while Baidu eased 0.9 per cent to HK\$132.60. Like the Hang Seng barometer, their relative strength index readings surpassed 70 points this week, suggesting a pullback was imminent.

Limiting losses, China's top-selling carmaker BYD surged 5.2 per cent to HK\$228.40 while rival Geely Auto jumped 1.8 per cent to HK\$12.24 and Nio added 0.6 per cent to HK\$89.20. All three, however, pared gains. Oil explorer PetroChina gained 3.9 per cent to HK\$3.75 as crude prices logged best winning run since October on demand outlook.

Stocks in Hong Kong and mainland China have added more than almost US\$900 billion in capitalisation this year as global funds chased China reopening beneficiaries. Beijing started dismantling its zero-Covid regimen in November and officially abandoned the policy when it scrapped quarantines for arrivals on January 8.

Chinese manufacturers continue to lose pricing power while economic recovery takes time. Producer prices dropped 0.7 per cent in December from a year earlier, after falling 1.3 per cent in November, the statistics bureau said. Consumer prices increased 1.8 per cent versus 1.6 per cent in November, it added.

Elsewhere, the US government will report December inflation data later Thursday. Prices probably rose 6.5 per cent, easing from a 7.1 per cent gain in November, according to JPMorgan Chase.

One company started trading in Hong Kong. Beijing Sinohytec, a manufacturer that produces hydrogen fuel cell engines for vehicles, closed unchanged at HK\$60 after losing as much as 2.6 per cent to HK\$58.45.

Markets in the Asia-Pacific region were mixed, with the benchmark in Japan little changed while those in Australia and South Korea rose by 0.2 per cent to 1.2 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 JAN 23	51	21589	21769	21292
H. SENG FUT FEB 23	54	21661	21838	21371
H. SENG FUT MAR 23	51	21671	21830	21435
H. SENG FUT JUN 23	45	21608	21771	21317
MINI H. SENG FUT JAN 23	51	21589	21766	21291
MINI H. SENG FUT FEB 23	54	21661	21831	21364
MINI H. SENG FUT MAR 23	51	21671	21845	21381
MINI H. SENG FUT JUN 23	45	21608	21774	21336
HSCEI FUT JAN 23	-15	7335	7442	7246
HSCEI FUT FEB 23	-13	7367	7459	7306
HSCEI FUT MAR 23	-14	7396	7500	7311
HSCEI FUT JUN 23	-16	7379	7461	7321
MINI HSCEI FUT JAN 23	-15	7335	7441	7246
MINI HSCEI FUT FEB 23	-13	7367	7469	7276
MINI HSCEI FUT MAR 23	-14	7396	7499	7321
MINI HSCEI FUT JUN 23	-16	7379	7484	7300

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	88.4	2.65	88.4	85.5
**Tencent Holdings Ltd	364	-9.8	379.6	356.4
*HSBC Holdings PLC	54.1	0.45	54.1	53.65
**China Construction Bank Corp	5.01	0.02	5.02	4.98
**Ping An Insurance Group	60	1.25	60.3	58.9
**Meituan	173	-1	177.8	169.4
*Hong Kong Exchanges & Clearing Ltd	370.2	3.6	376.4	366
**Alibaba Group Holdings Ltd	110.8	-2.1	113.1	107.8
**Xiaomi Corp	11.78	0.04	11.92	11.52
**ICBC	4.18	0.04	4.2	4.14

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	68.25	-1.7	71.55	67.4
**China Mobile Ltd	54.75	0.95	54.75	53.6
**Bank of China Ltd	2.94	0.02	2.95	2.92
*Techtronic Industries Co Ltd	96	-0.05	98.4	95
*CK Hutchison Holdings Ltd	48.45	0.75	48.55	47.8
*Link REIT	61.2	1.75	61.45	60.1
*CLP Holding Ltd	57.6	0.8	57.6	56.6
**Geely Automobile Holdings Ltd	12.24	0.22	12.88	12.1
**CNOOC Ltd	10.34	0.24	10.4	10.2
**ANTA Sports Products Ltd	112	2.3	115.4	109.5

Global Equity Indices	Close	Change	High	Low
Hang Seng	21514.10	78.05	21698.9	21223.84
HSCEI	7311.84	0.92	7403.2	7219.32
Shanghai Comp Index	3163.45	1.613	3171.59	3153.404
Nikkei 225	26449.8	3.82	26547.6	26381.93
KOSPI	2365.1	5.57	2377.8	2358.33
S&P/ASX200	7280.4	85.06	7288.7	7195.3
DJIA	34190	216.96	34292.7	33792.1
S&P 500	3983.17	13.56	3997.76	3937.56
NASDAQ	11001.1	69.43	11027.8	10797.12
DAX	15058.3	110.39	15095	14934.51
CAC	6975.68	0.74	7015.7	6946.3
FTSE100	7794.04	69.06	7809.13	7724.55

Technical Analysis

Mini Hang Seng

1st Resistance:	21913	2nd Resistance:	22237
1st Support:	21265	2nd Support:	20941
MACD:	750.047		
MACD DIFF:	102.412		
RSI:	73.1443		

Mini Hang Seng China Enterprise

1st Resistance:	7445	2nd Resistance:	7555
1st Support:	7225	2nd Support:	7115
MACD:	253.733		
MACD DIFF:	36.380		
RSI:	69.5468		

Strategy:

Mini Hang Seng:			Mini Hang Seng China Enterprise:		
Long: Profit target:	21265	21478	21159	Long: Profit target:	20941
Stop-loss:	21913	21694	22022	Stop-loss:	21151
Short: Profit target:	21913	21694	22022	Short: Profit target:	22014
Stop-loss:	21265	21478	21159	Stop-loss:	22348

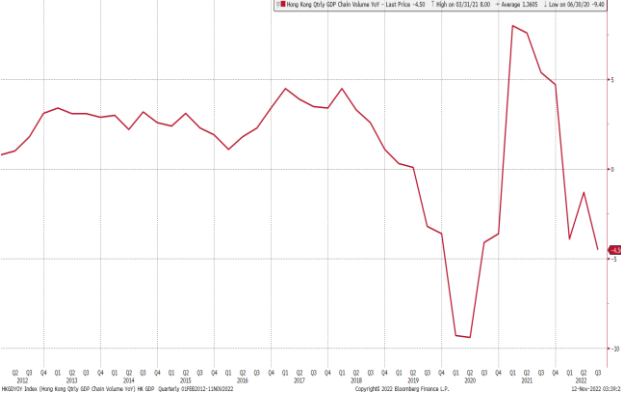
Mini Hang Seng China Enterprise:

Long: Profit target:	7225	7297	7189	Long: Profit target:	7115
Stop-loss:	7445	7371	7482	Stop-loss:	7186
Short: Profit target:	7445	7371	7482	Short: Profit target:	7479
Stop-loss:	7225	7297	7189	Stop-loss:	7593

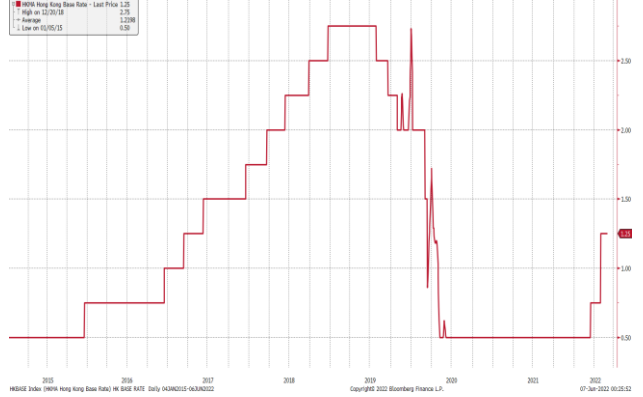
Hong Kong Economic Releases	Period	Survey	Actual	Prior	Revised
01/19/2023 16:30	Unemployment Rate SA	Dec	--	--	3.70%

China Economic Releases	Period	Survey	Actual	Prior	Revised
01/12/2023 09:30	PPI YoY	Dec	-0.10%	-0.70%	-1.30%
01/12/2023 09:30	CPI YoY	Dec	1.80%	1.80%	1.60%
01/12/2023 01/18	FDI YTD YoY CNY	Dec	--	--	9.90%
01/13/2023 01/16	FX Net Settlement - Clients CNY	Dec	--	--	-65.7b
01/13/2023	Trade Balance	Dec	\$76.90b	--	\$69.84b
01/13/2023	Exports YoY	Dec	-11.10%	--	-8.70%
01/13/2023	Imports YoY	Dec	-10.00%	--	-10.60%
01/13/2023	Exports YoY CNY	Dec	--	--	0.90%
01/13/2023	Imports YoY CNY	Dec	--	--	-1.10%
01/13/2023	Trade Balance CNY	Dec	--	--	494.33b
01/16/2023 09:20	1-Yr Medium-Term Lending Facility Ra	Jan-15	2.75%	--	2.75%
01/16/2023 09:20	1-Yr Medium-Term Lending Facilities V	Jan-15	800.0b	--	650.0b
01/16/2023 09:30	New Home Prices MoM	Dec	--	--	-0.25%

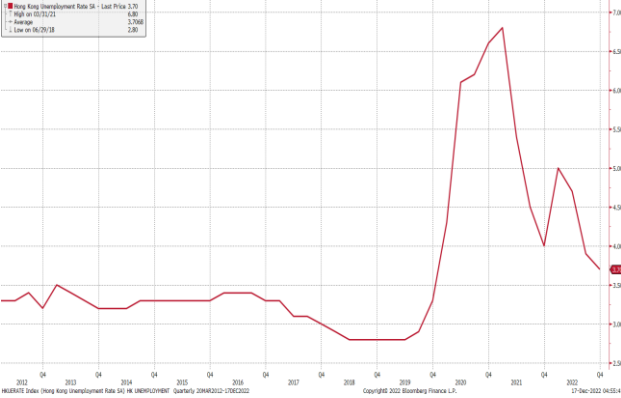
Hong Kong GDP Q on Q



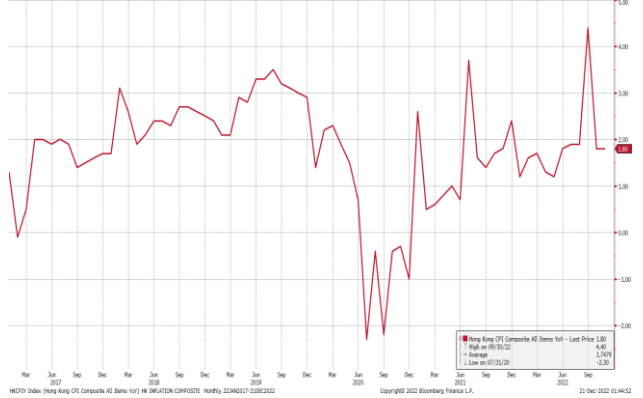
Hong Kong Base Interest Rate



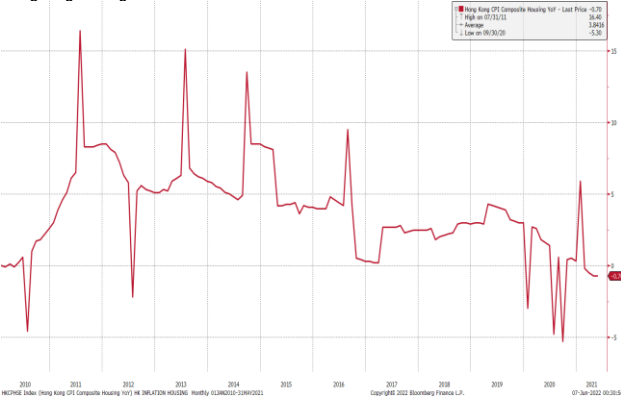
Hong Kong Unemployment Rate



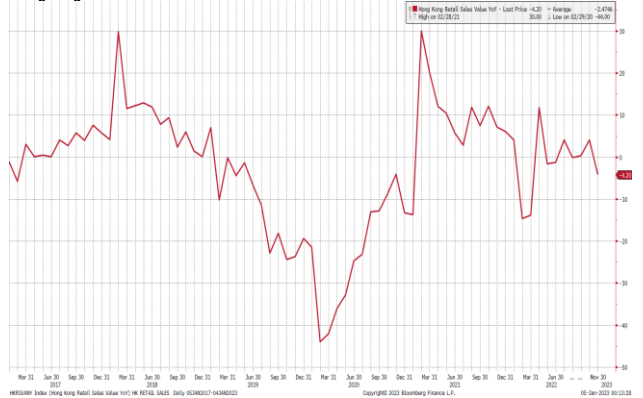
Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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