

Fundamentals:

Hong Kong stocks rose, completing a fourth straight week of gains, as cooling US inflation fuelled risk appetite and optimism the Federal Reserve will slow its rate increases this year.

The Hang Seng index added 1 per cent to 21,738.66 at the close of Friday trading. The Tech Index jumped 1.5 per cent, erasing an earlier decline of as much as 0.9 per cent, while the Shanghai Composite Index rallied 1 per cent.

Alibaba Group surged 1.7 per cent to HK\$112.70 while Tencent Holdings gained 2 per cent to HK\$371.40, with both overturning their losses. HSBC advanced 2.6 per cent to HK\$55.50 while carmaker BYD added 1 per cent to HK\$230.60. Macau casino operator Sands China appreciated 2.3 per cent to HK\$28.75.

The Hang Seng index appreciated 3.5 per cent this week. The new year rally has added some US\$800 billion of equity capitalisation across bourses in Hong Kong and mainland China, according to Bloomberg data.

"The market will continue to be supported by two positive factors. One is the improvement of the external interest rate hike environment, and the other is the mainland economy may show a stronger rebound after the first quarter," said Kenny Ng Lai-yin, a strategist at Everbright Securities. "Stocks still have more room to rise."

US consumer prices dropped in December for the first time in more than 2.5 years, with inflation easing to 6.5 per cent annually from a 7.1 per cent pace in November, the Labor Department said on Thursday. That boosted bets the Fed will temper its policy tightening this year and help avert a recession. The Fed holds its first 2023 meeting in late January.

Still, the sharp run-up this year has pushed the Hang Seng index and several index leaders like Alibaba Group, Tencent and carmaker BYD into an overbought zone, based on their relative strength technical readings. The market is prone to an imminent pullback, Ng added.

Elsewhere, some Chinese semiconductor stocks extended a decline. Hua Hong Semiconductor dropped 0.5 per cent to HK\$29.40. Analysts at BCA Research said the slump from 2021 peak has more to go as demand weakens.

Markets in Asia-Pacific were mostly stronger. Benchmarks in Australia and South Korea both rose 0.7 and 0.9 per cent respectively, while the Nikkei 225 in Japan retreated 1.3 per cent.

(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:	22109	2nd Resistance:	22435
1st Support:	21455	2nd Support:	21129
MACD:	767.929		
MACD DIFF:	96.2353		
RSI:	74.6332		

Mini Hang Seng China Enterprise

1st Resistance:	7522	2nd Resistance:	7633
1st Support:	7300	2nd Support:	7189
MACD:	259.833		
MACD DIFF:	33.984		
RSI:	71.2396		

Strategy:

Mini Hang Seng:	Long: Profit target: 21455	Stop-loss: 21670	21348	Long: Profit target: 21129	Stop-loss: 21340	21023
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	Short: Profit target: 22109	Stop-loss: 21888	22219	Short: Profit target: 22435	Stop-loss: 22211	22548
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Mini Hang Seng China Enterprise:	Long: Profit target: 7300	Stop-loss: 7373	7263	Long: Profit target: 7189	Stop-loss: 7261	7153
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	Short: Profit target: 7522	Stop-loss: 7447	7560	Short: Profit target: 7633	Stop-loss: 7557	7671
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Contracts	Chg	Sett	High	Low
H. SENG FUT JAN 23	193	21782	21837	21478
H. SENG FUT FEB 23	187	21848	21899	21580
H. SENG FUT MAR 23	185	21856	21899	21621
H. SENG FUT JUN 23	181	21789	21805	21544
MINI H. SENG FUT JAN 23	193	21782	21837	21473
MINI H. SENG FUT FEB 23	187	21848	21903	21550
MINI H. SENG FUT MAR 23	185	21856	21901	21575
MINI H. SENG FUT JUN 23	181	21789	21842	21548
HSCEI FUT JAN 23	76	7411	7432	7291
HSCEI FUT FEB 23	72	7439	7456	7336
HSCEI FUT MAR 23	74	7470	7474	7371
HSCEI FUT JUN 23	68	7447	7451	7351
MINI HSCEI FUT JAN 23	76	7411	7432	7298
MINI HSCEI FUT FEB 23	72	7439	7458	7328
MINI HSCEI FUT MAR 23	74	7470	7488	7360
MINI HSCEI FUT JUN 23	68	7447	7460	7361

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	87.95	-0.45	89.4	87.35
**Tencent Holdings Ltd	371.4	7.4	372.4	356.2
*HSBC Holdings PLC	55.5	1.4	55.5	54.95
**China Construction Bank Corp	5.06	0.05	5.1	4.99
**Ping An Insurance Group	62.15	2.15	62.2	59.8
**Meituan	171.2	-1.8	173.2	168
*Hong Kong Exchanges & Clearing Ltd	368.8	-1.4	376	363.2
**Alibaba Group Holdings Ltd	112.7	1.9	113	109
**Xiaomi Corp	11.96	0.18	12	11.64
**ICBC	4.2	0.02	4.24	4.17

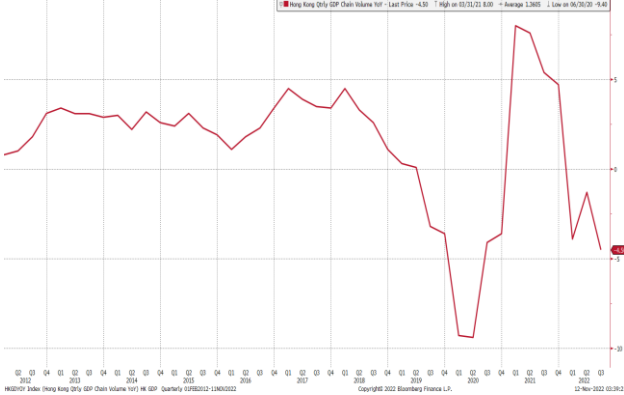
Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	72.6	4.35	72.9	68.6
**China Mobile Ltd	55.5	0.75	56	54.85
**Bank of China Ltd	2.96	0.02	2.97	2.93
*Techtronic Industries Co Ltd	97.55	1.55	98	94.6
*CK Hutchison Holdings Ltd	48.85	0.4	49.1	48.45
*Link REIT	61.45	0.25	62.3	60.95
*CLP Holding Ltd	57.2	-0.4	57.8	57.05
**Geely Automobile Holdings Ltd	12.12	-0.12	12.42	12
**CNOOC Ltd	10.46	0.12	10.58	10.42
**ANTA Sports Products Ltd	112.3	0.3	113.9	108.7

Global Equity Indices	Close	Change	High	Low
Hang Seng	21738.66	224.56	21770.1	21474.98
HSCEI	7391.18	79.34	7407.06	7283.32
Shanghai Comp Index	3195.31	31.855	3195.31	3167.51
Nikkei 225	26119.5	-330.3	26409.2	26090.84
KOSPI	2386.09	20.99	2397.01	2375.78
S&P/ASX200	7328.1	47.703	7357.8	7280.4
DJIA	34302.6	112.64	34342.3	33915.49
S&P 500	3999.09	15.92	4003.95	3947.67
NASDAQ	11079.2	78.06	11084	10900.16
DAX	15086.5	28.22	15132.4	15041.16
CAC	7023.5	0.69	7035.82	6977.86
FTSE100	7844.07	50.03	7864.95	7793.55

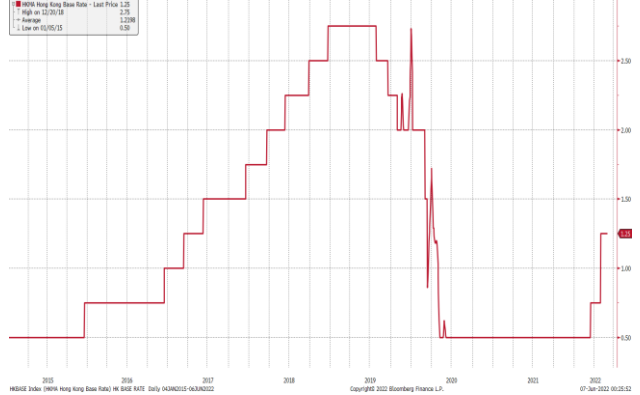
Hong Kong Economic Releases	Period	Survey	Actual	Prior	Revised
01/19/2023 16:30	Unemployment Rate SA	Dec	--	--	3.70%

China Economic Releases	Period	Survey	Actual	Prior	Revised
01/13/2023 11:18	Trade Balance	Dec	\$76.90b	\$78.01b	\$69.25b
01/13/2023 11:18	Exports YoY	Dec	-11.10%	-9.90%	-8.70%
01/13/2023 11:18	Imports YoY	Dec	-10.00%	-7.50%	-10.60%
01/13/2023 11:18	Exports YoY CNY	Dec	--	-0.50%	0.90%
01/13/2023 11:18	Imports YoY CNY	Dec	--	2.20%	-1.10%
01/13/2023 11:18	Trade Balance CNY	Dec	--	550.11b	494.33b
01/13/2023 01/18	FDI YTD YoY CNY	Dec	--	--	9.90%
01/13/2023 01/16	FX Net Settlement - Clients CNY	Dec	--	--	-65.7b
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%

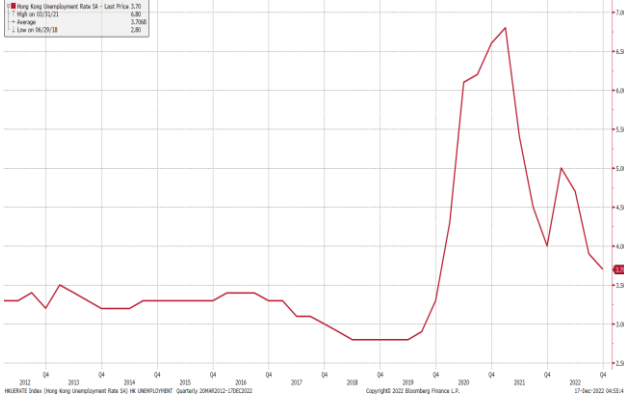
Hong Kong GDP Q on Q



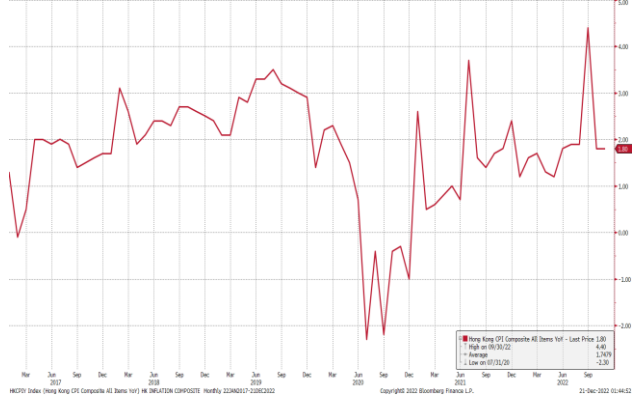
Hong Kong Base Interest Rate



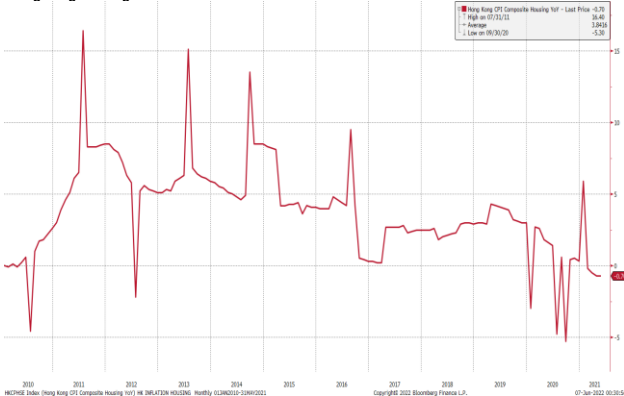
Hong Kong Unemployment Rate



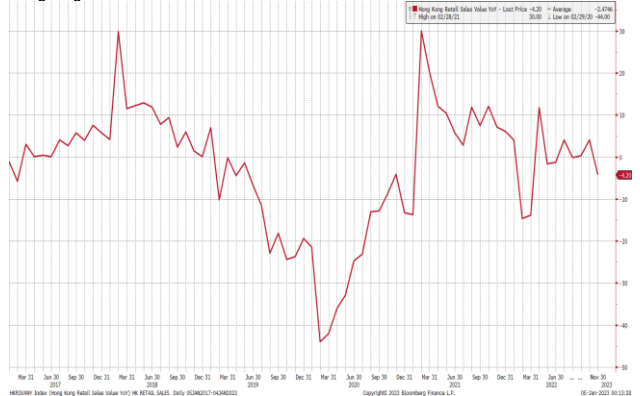
Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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