

Fundamentals:

Hong Kong stocks advanced to a six-month high as global funds picked up Chinese stocks at the fastest pace in at least four years, suggesting investors are prepared to overlook short-term economic pain to profit from reopening benefits.

The Hang Seng index rose less than 0.1 per cent to 21,746.72 at the close, the highest level since July 5, after earlier gaining as much as 1 per cent. The Tech Index retreated 1.1 per cent and the Shanghai Composite Index jumped 1 per cent.

Alibaba Group climbed 0.6 per cent to HK\$113.40, while WuXi Biologics gained 1.8 per cent to HK\$73.90. China Merchants Bank gained 2.1 per cent to HK\$48.90 and HSBC rose 2.1 per cent to HK\$56.65. Macau casino operator Galaxy Entertainment rose 1.4 per cent to HK\$54.15.

Stocks in Hong Kong and mainland China have added some US\$800 billion in market capitalisation this year as China abandoned its zero-Covid policy last month to shore up growth, fanning big capital inflows. China also signalled the rectification of the 14 technology platforms, including Ant Group, was over. Also, slowing US inflation also buoyed optimism the Federal Reserve will temper its rate increases.

Global fund managers have bought 60.3 billion yuan (US\$9 billion) worth of onshore shares through the Stock Connect in the first two weeks, the biggest new year net buying since at least 2018, according to Goldman Sachs. The amount is equivalent to 70 per cent of US\$13 billion net inflows in 2022.

China is due to report several December and fourth-quarter economic data in coming days and investors should expect "weak" signals with industrial production seen stalling and retail sales sliding 10 per cent, according to Goldman's forecasts. Many workers got sick during the "exit wave" while daily coal consumption suggests activity was sluggish, it added.

Shanghai, China's biggest commercial city, said it will roll out more relief measures to support small businesses hit hard by past pandemic curbs.

China's reopening of its economy will boost growth and cushion potential recession setbacks in the US and Europe, Valerie Baudson, CEO of Amundi, Europe's biggest asset managers, said in an interview.

Three companies started trading in Hong Kong on Monday. Beauty Farm Medical and Health Industry surged 53 per cent to HK\$29.65 and Shenzhen Pagoda Industrial jumped 7.1 per cent to HK\$6. Gala Technology slumped 12 per cent to HK\$5.75.

Other major Asian markets were mixed. Japan's Nikkei 225 slid 1.1 per cent per cent, while South Korea's Kospi rose 0.6 per cent and Australia's S&P/ASX 200 added 0.8 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:	22052	2nd Resistance:	22378
1st Support:	21400	2nd Support:	21074
MACD:	768.720		
MACD DIFF:	77.6213		
RSI:	73.3623		

Mini Hang Seng China Enterprise

1st Resistance:	7461	2nd Resistance:	7572
1st Support:	7241	2nd Support:	7130
MACD:	256.865		
MACD DIFF:	24.813		
RSI:	68.0247		

Strategy:

Mini Hang Seng:	Long: Profit target: 21400	Stop-loss: 21614	21293	Long: Profit target: 21074	Stop-loss: 21285	20969
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	Short: Profit target: 22052	Stop-loss: 21831	22162	Short: Profit target: 22378	Stop-loss: 22154	22490
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Mini Hang Seng China Enterprise:	Long: Profit target: 7241	Stop-loss: 7313	7205	Long: Profit target: 7130	Stop-loss: 7202	7095
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	Short: Profit target: 7461	Stop-loss: 7387	7499	Short: Profit target: 7572	Stop-loss: 7496	7609
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Contracts	Chg	Sett	High	Low
H. SENG FUT JAN 23	-56	21726	21997	21635
H. SENG FUT FEB 23	-55	21793	22062	21706
H. SENG FUT MAR 23	-58	21798	22065	21726
H. SENG FUT JUN 23	-66	21723	22001	21650
MINI H. SENG FUT JAN 23	-56	21726	21997	21634
MINI H. SENG FUT FEB 23	-55	21793	22063	21706
MINI H. SENG FUT MAR 23	-58	21798	22063	21716
MINI H. SENG FUT JUN 23	-66	21723	22002	21660
HSCEI FUT JAN 23	-60	7351	7467	7313
HSCEI FUT FEB 23	-61	7378	7488	7350
HSCEI FUT MAR 23	-63	7407	7520	7380
HSCEI FUT JUN 23	-64	7383	7474	7361
MINI HSCEI FUT JAN 23	-60	7351	7467	7312
MINI HSCEI FUT FEB 23	-61	7378	7493	7340
MINI HSCEI FUT MAR 23	-63	7407	7518	7378
MINI HSCEI FUT JUN 23	-64	7383	7490	7390

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	87.95	0	88.4	86.3
**Tencent Holdings Ltd	370.2	-1.2	376.4	364
*HSBC Holdings PLC	56.65	1.15	56.65	56.05
**China Construction Bank Corp	5.09	0.03	5.12	5.04
**Ping An Insurance Group	60.8	-1.35	63.1	60.65
**Meituan	165.6	-5.6	172.6	161.6
*Hong Kong Exchanges & Clearing Ltd	363.4	-5.4	373.6	360.2
**Alibaba Group Holdings Ltd	113.4	0.7	115.4	110.9
**Xiaomi Corp	11.88	-0.08	12.24	11.78
**ICBC	4.25	0.05	4.26	4.18

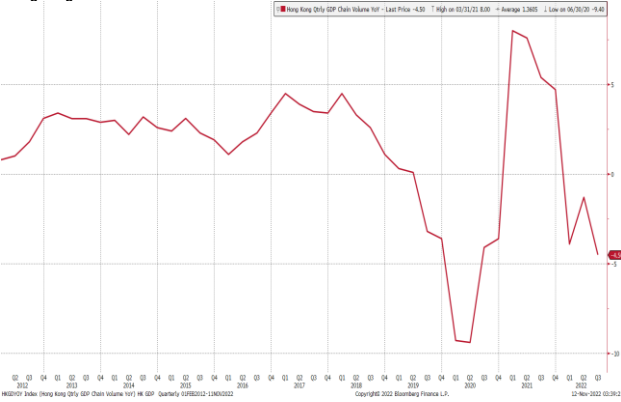
Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	73.9	1.3	77.4	71
**China Mobile Ltd	55.1	-0.4	56.15	54.85
**Bank of China Ltd	2.98	0.02	2.98	2.95
*Techtronic Industries Co Ltd	103.6	6.05	103.7	98.9
*CK Hutchison Holdings Ltd	50.35	1.5	50.45	49
*Link REIT	63.1	1.65	63.5	61.5
*CLP Holding Ltd	57.4	0.2	57.95	56.9
**Geely Automobile Holdings Ltd	11.72	-0.4	12.22	11.64
**CNOOC Ltd	10.5	0.04	10.8	10.46
**ANTA Sports Products Ltd	113.8	1.5	114.3	112

Global Equity Indices	Close	Change	High	Low
Hang Seng	21746.72	8.06	21947.6	21572.51
HSCEI	7350.34	-40.84	7445.02	7288.18
Shanghai Comp Index	3227.59	32.286	3251.37	3197.319
Nikkei 225	25822.3	-297.2	25938	25748.1
KOSPI	2399.86	13.77	2410.22	2387.61
S&P/ASX200	7388.18	60.076	7396	7328.1
DJIA	0	0	0	0
S&P 500	0	0	0	0
NASDAQ	0	0	0	0
DAX	15134	47.52	15153.2	15083.94
CAC	7043.31	0.28	7052.52	7016.32
FTSE100	7860.07	16	7867.23	7841.91

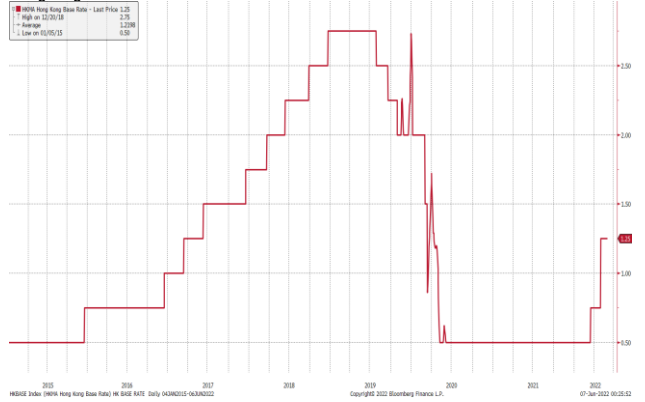
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
01/19/2023 16:30	Unemployment Rate SA	Dec	--	--	3.70%	--
01/20/2023 16:30	CPI Composite YoY	Dec	2.00%	--	1.80%	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
01/16/2023 09:20	1-Yr Medium-Term Lending Facility Ra	Jan-15	2.75%	2.75%	2.75%	--
01/16/2023 09:20	1-Yr Medium-Term Lending Facilities V	Jan-15	800.0b	779.0b	650.0b	--
01/16/2023 09:30	New Home Prices MoM	Dec	--	-0.25%	-0.25%	--
01/17/2023 10:00	Industrial Production YoY	Dec	0.10%	--	2.20%	--
01/17/2023 10:00	Industrial Production YTD YoY	Dec	3.70%	--	3.80%	--
01/17/2023 10:00	Retail Sales YoY	Dec	-9.00%	--	-5.90%	--
01/17/2023 10:00	Retail Sales YTD YoY	Dec	-0.80%	--	-0.10%	--
01/17/2023 10:00	Fixed Assets Ex Rural YTD YoY	Dec	5.00%	--	5.30%	--
01/17/2023 10:00	Property Investment YTD YoY	Dec	-10.50%	--	-9.80%	--
01/17/2023 10:00	Residential Property Sales YTD YoY	Dec	--	--	-28.40%	--
01/17/2023 10:00	Surveyed Jobless Rate	Dec	5.80%	--	5.70%	--
01/17/2023 10:00	GDP YoY	4Q	1.60%	--	3.90%	--
01/17/2023 10:00	GDP SA QoQ	4Q	-1.10%	--	3.90%	--
01/17/2023 10:00	GDP YTD YoY	4Q	2.70%	--	3.00%	--

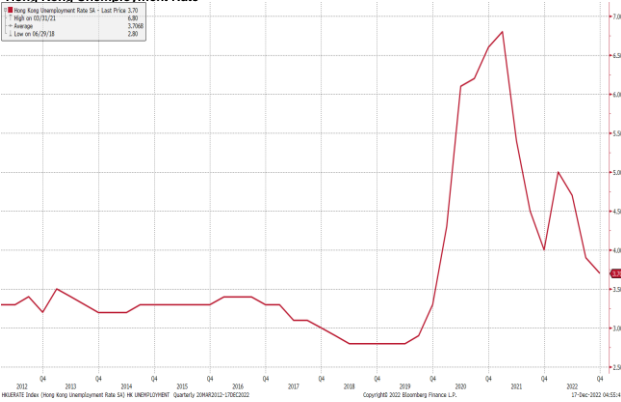
Hong Kong GDP Q on Q



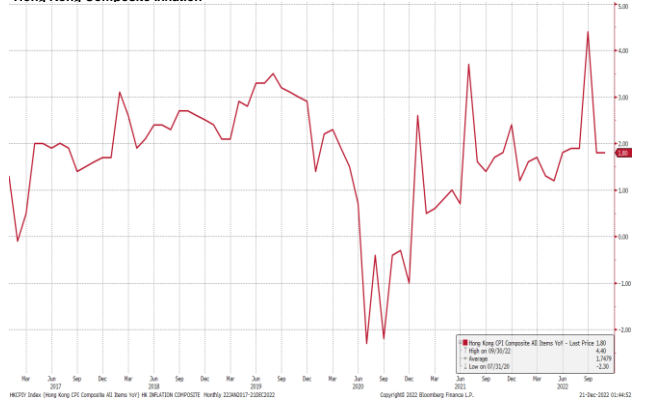
Hong Kong Base Interest Rate



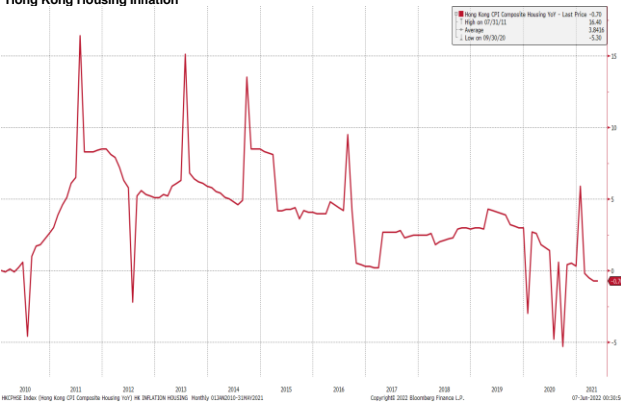
Hong Kong Unemployment Rate



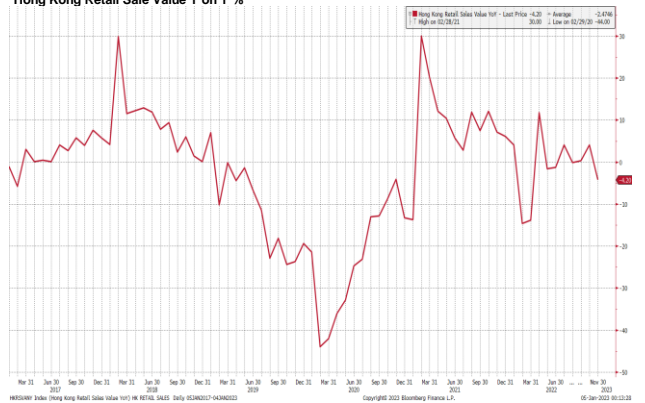
Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

Kenanga Futures Sdn Bhd (353603-X)

Dealing Desk: (603) 2172 3820 Fax: (603) 2172 2729 Email: futures@kenanga.com.my

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