

## Fundamentals:

Hong Kong stocks produced the best start to a year since 2018, lifting the market to a four-month high as traders rebuilt positions while shrugging off a series of weak economic data out of China.

The Hang Seng Index jumped 1.8 per cent to 20,145.29 on Tuesday, closing above the 20,000-point level for the first time since August 26. The Tech Index added 2.5 per cent while the Shanghai Composite Index gained 0.9 per cent, both also overturning earlier setbacks.

Alibaba Group Holding added 2.8 per cent to HK\$88.65. NetEase jumped 3.6 per cent to HK\$118.60 and BYD gained 4.7 per cent to HK\$201.60. Casino operator Sands China and rival Galaxy Entertainment both soared 3.9 per cent to HK\$26.90 and HK\$53.60, respectively.

Today's gain represented the biggest opening-day rally since 2018 when the Hang Seng surged by almost 2 per cent. The Shanghai benchmark posted its strongest new-year rally since a 1.2 per cent rise in 2020.

The Hang Seng Index has appreciated almost 40 per cent over the past two months on the back of China reopening optimism, helping restore over US\$1.1 trillion of capitalisation in the broader Hong Kong market.

Stocks earlier opened on a weaker note. An index tracking Chinese manufacturing fell to 49 in December from 49.4 in November, the Caixin/Markit PMI report on Tuesday showed. The gauge has struggled below 50, signalling a contraction, for five straight months as a resurgence in Covid-19 infections hit mainland cities.

Key economic December data including manufacturing and tourism "remained depressed" with Goldman Sachs said, with the official services industry at the lowest since February 2020 and even weaker than during the two-month lockdown in Shanghai last year, it added.

Still, market bulls may be encouraged by consensus that the Federal Reserve will temper its tightening pace as inflation cooled, and raise its key rate by 25 basis points at its first meeting, according to Bloomberg data. The Fed will hold eight policy meetings in 2023.

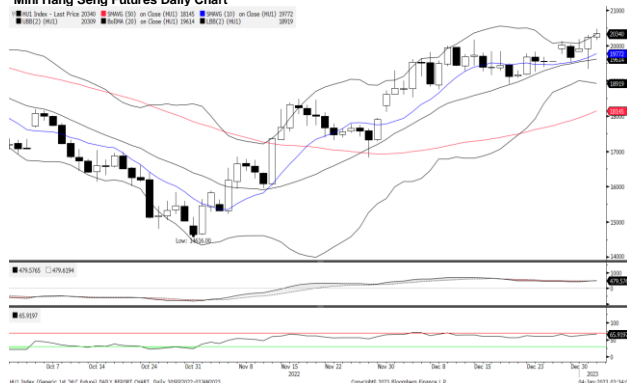
Asian markets mostly retreated on Tuesday. The benchmark indices in South Korea and Australia slumped 0.3 and 1.3 per cent respectively, while stocks in Japan were little changed.

(Source: South China Morning Post)

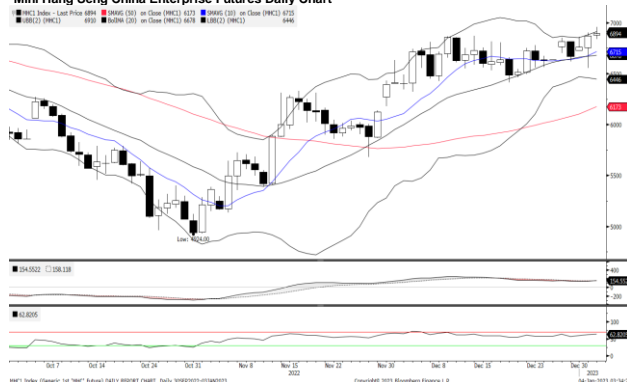
## HONG KONG INDEX FUTURES DAILY PREVIEW

Date Prepared : 04/Jan/2023

### Mini Hang Seng Futures Daily Chart



### Mini Hang Seng China Enterprise Futures Daily Chart



Contracts	Chg	Sett	High	Low
H. SENG FUT JAN 23	323	20238	20306	19338
H. SENG FUT FEB 23	323	20302	20368	19408
H. SENG FUT MAR 23	324	20315	20362	19438
H. SENG FUT JUN 23	323	20263	20312	19369
MINI H. SENG FUT JAN 23	323	20238	20305	19338
MINI H. SENG FUT FEB 23	323	20302	20359	19413
MINI H. SENG FUT MAR 23	324	20315	20364	19418
MINI H. SENG FUT JUN 23	323	20263	20309	19379
HSCEI FUT JAN 23	112	6872	6901	6556
HSCEI FUT FEB 23	113	6899	6928	6604
HSCEI FUT MAR 23	115	6930	6950	6622
HSCEI FUT JUN 23	113	6920	6946	6630
MINI HSCEI FUT JAN 23	112	6872	6901	6555
MINI HSCEI FUT FEB 23	113	6899	6925	6590
MINI HSCEI FUT MAR 23	115	6930	6958	6623
MINI HSCEI FUT JUN 23	113	6920	6947	6611

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	88.3	1.5	88.65	84.4
**Tencent Holdings Ltd	345.2	11.2	345.8	328.8
*HSBC Holdings PLC	48.7	0.15	48.8	47
**China Construction Bank Corp	4.93	0.04	4.95	4.76
**Ping An Insurance Group	52.85	1.2	53	50.4
**Meituan	176.8	2.1	177.8	164.7
*Hong Kong Exchanges & Clearing Ltd	343	5.8	345	329
**Alibaba Group Holdings Ltd	88.65	2.4	89.15	84.6
**Xiaomi Corp	11.22	0.28	11.24	10.54
**ICBC	4.06	0.04	4.07	3.91

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	62.55	2.7	63.95	58.55
**China Mobile Ltd	52.5	0.75	52.95	51.2
**Bank of China Ltd	2.86	0.02	2.88	2.79
*Techtronic Industries Co Ltd	88.35	1.25	88.9	84.1
*CK Hutchison Holdings Ltd	47.3	0.45	48	45.95
*Link REIT	58.2	0.9	58.8	56.25
*CLP Holding Ltd	56.95	0	57.2	55.5
**Geely Automobile Holdings Ltd	11.86	0.46	12.06	11.06
**CNOOC Ltd	10.1	0.12	10.14	9.87
**ANTA Sports Products Ltd	104.2	1.9	104.6	99.15

Global Equity Indices	Close	Change	High	Low
Hang Seng	20145.29	363.88	20212.6	19303.73
HSCEI	6833.98	129.04	6860.8	6536.3
Shanghai Comp Index	3116.51	27.254	3119.86	3073.054
Nikkei 225	0	0	0	0
KOSPI	2218.68	-6.99	2230.98	2180.67
S&P/ASX200	6946.19	-92.498	7071.3	6905.3
DJIA	33136.4	-10.88	33387.5	32850.57
S&P 500	3824.14	-15.36	3878.46	3794.33
NASDAQ	10387	-79.5	10613.1	10309.16
DAX	14181.7	112.41	14293.9	14083.76
CAC	6623.89	0.44	6696.1	6580.09
FTSE100	7554.09	102.35	7626.4	7448.69

### Technical Analysis

#### Mini Hang Seng

1st Resistance:	20542	2nd Resistance:	20845
1st Support:	19934	2nd Support:	19631
MACD:	461.375		
MACD DIFF:	-18.1683		
RSI:	64.9289		

#### Mini Hang Seng China Enterprise

1st Resistance:	6975	2nd Resistance:	7078
1st Support:	6769	2nd Support:	6666
MACD:	149.405		
MACD DIFF:	-9.570		
RSI:	62.2345		

### Strategy:

Mini Hang Seng:	Long: Profit target:	Stop-loss:	Long: Profit target:	Stop-loss:
	19934	20134	19835	19631
	20845	20637	20949	20845

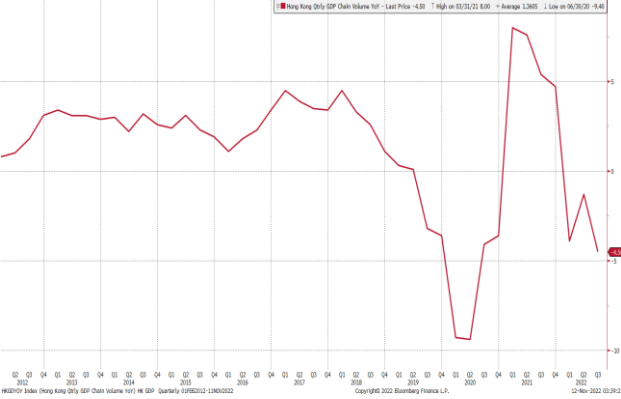
Mini Hang Seng China Enterprise:	Long: Profit target:	Stop-loss:	Long: Profit target:	Stop-loss:
	6769	6837	6735	6666
	6975	6905	7010	7078

Short: Profit target:	Stop-loss:	Short: Profit target:	Stop-loss:
20542	20336	20644	20845
6975	6905	7010	7078

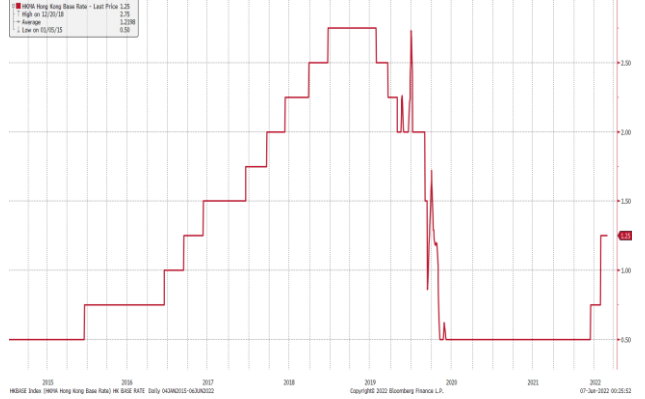
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
01/04/2023 16:30	Retail Sales Value YoY	Nov	5.00%	--	3.90%	--
01/04/2023 16:30	Retail Sales Volume YoY	Nov	3.50%	--	2.40%	--
01/05/2023 08:30	S&P Global Hong Kong PMI	Dec	--	--	48.7	--
01/06/2023	Foreign Reserves	Dec	--	--	\$423.2b	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
01/03/2023 09:45	Caixin China PMI Mfg	Dec	49.1	49	49.4	--
01/05/2023 09:45	Caixin China PMI Composite	Dec	--	--	47	--
01/05/2023 09:45	Caixin China PMI Services	Dec	46.8	--	46.7	--
01/07/2023	Foreign Reserves	Dec	--	--	\$3117.49b	--
01/09/2023 01/15	Aggregate Financing CNY	Dec	--	--	1990.0b	1987.4b
01/09/2023 01/16	PPI YoY	Dec	--	--	-1.30%	--
01/09/2023 01/16	CPI YoY	Dec	--	--	1.60%	--
01/09/2023 01/15	New Yuan Loans CNY	Dec	--	--	1210.0b	--
01/09/2023 01/15	Money Supply M2 YoY	Dec	--	--	12.40%	--
01/09/2023 01/15	Money Supply M1 YoY	Dec	--	--	4.60%	--
01/09/2023 01/15	Money Supply M0 YoY	Dec	--	--	14.10%	--

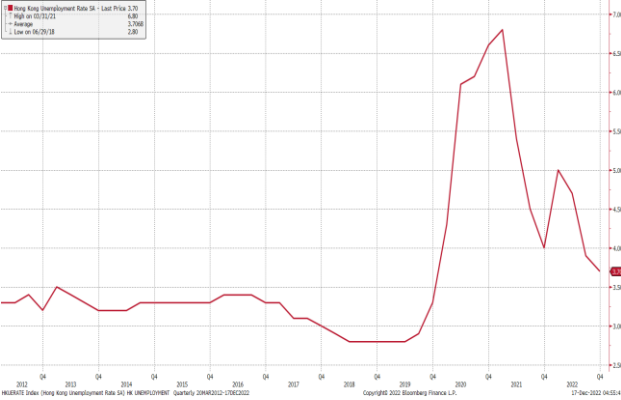
### Hong Kong GDP Q on Q



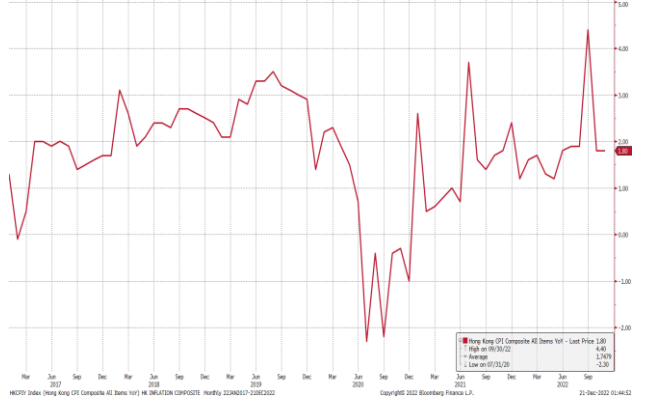
### Hong Kong Base Interest Rate



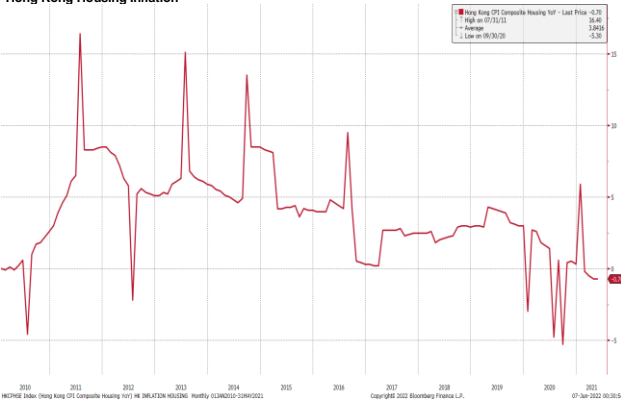
### Hong Kong Unemployment Rate



### Hong Kong Composite Inflation



### Hong Kong Housing Inflation



### Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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