

Fundamentals:

Hong Kong stocks reached a five-month high after China pledged to boost fiscal spending following reports factory activity and services continued to slump last month. Traders await minutes from the Federal Reserve's last meeting for clues on rate outlook.

The Hang Seng Index jumped 3.2 per cent to 20,793.11 at the close of Wednesday trading, logging the best gain since December 8. The Tech Index surged 4.6 per cent while the Shanghai Composite Index added 0.2 per cent.

Alibaba Group Holding soared 8.7 per cent to HK\$96.40, Tencent Holdings rose 4.6 per cent to HK\$361 and Baidu advanced 8.2 per cent to HK\$124.20.

Longfor surged 11.6 per cent to HK\$26.95 and peer Country Garden jumped 7.1 per cent to HK\$2.88, leading a rally among mainland developers amid speculation Chinese lenders will lend further financial support to "systemically important" developers to stanch a market slump.

China will implement "moderate" fiscal expansion to bolster growth in 2023. Xinhua News Agency said on Tuesday in an interview with Finance Minister Liu Kun. It will use local government special bonds to fund investments while preventing systemic risks, Liu added in the report.

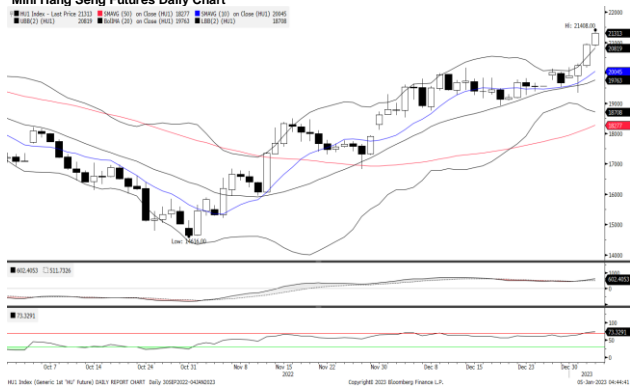
Mainland investors bought HK\$4.4 billion worth of stocks in Hong Kong on Wednesday, in addition to HK\$4.2 billion on Tuesday, according to Stock Connect data. They scooped up a total of HK\$138.6 billion in the final quarter of 2022.

The Federal Reserve will release the minutes of its policy meeting in December tomorrow. They may provide insight into the next move later this month, following the growing consensus that the central bank may be ready to temper its tightening pace as inflation cools.

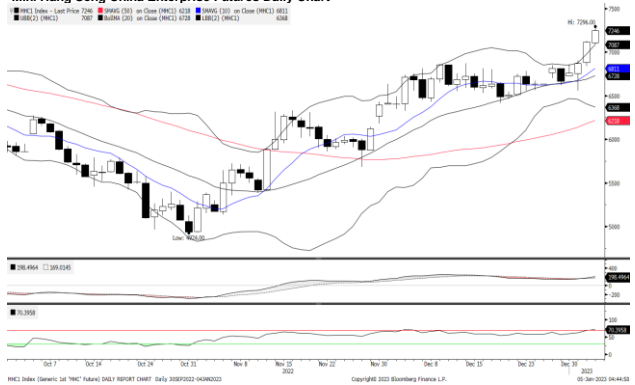
Asian markets were mixed on Wednesday. Stocks in South Korea and Australia jumped 1.6 to 1.7 per cent, while the Nikkei 225 in Japan retreated 1.5 per cent.

(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	694	20932	20958	20162
H. SENG FUT FEB 23	694	20996	21005	20310
H. SENG FUT MAR 23	689	21004	21019	20272
H. SENG FUT JUN 23	690	20953	20968	20269
MINI H. SENG FUT JAN 23	694	20932	20958	20161
MINI H. SENG FUT FEB 23	694	20996	21020	20240
MINI H. SENG FUT MAR 23	689	21004	21021	20240
MINI H. SENG FUT JUN 23	690	20953	20976	20202
HSCEI FUT JAN 23	243	7115	7126	6840
HSCEI FUT FEB 23	245	7144	7145	6872
HSCEI FUT MAR 23	244	7174	7176	6918
HSCEI FUT JUN 23	243	7163	7167	6920
MINI HSCEI FUT JAN 23	243	7115	7125	6839
MINI HSCEI FUT FEB 23	245	7144	7153	6886
MINI HSCEI FUT MAR 23	244	7174	7177	6910
MINI HSCEI FUT JUN 23	243	7163	7167	6905

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	91.35	3.05	91.35	88.7
**Tencent Holdings Ltd	361	15.0065	361	349
*HSBC Holdings PLC	50	1.3	50	49.35
**China Construction Bank Corp	5	0.07	5	4.92
**Ping An Insurance Group	55.7	2.85	55.75	52.95
**Meituan	181.3	4.5	184.9	173.6
*Hong Kong Exchanges & Clearing Ltd	354	11	354	343.2
**Alibaba Group Holdings Ltd	96.4	7.75	96.5	89.5
**Xiaomi Corp	11.5	0.28	11.5	11.2
**ICBC	4.13	0.07	4.13	4.06

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	66.2	3.65	66.3	61.6
**China Mobile Ltd	53.55	1.05	53.6	52.65
**Bank of China Ltd	2.91	0.05	2.91	2.87
*Techtronic Industries Co Ltd	88.65	0.3	88.75	86
*CK Hutchison Holdings Ltd	47.95	0.65	48.35	47.35
*Link REIT	60	1.8	60.25	58.45
*CLP Holding Ltd	57.25	0.3	57.7	56.75
**Geely Automobile Holdings Ltd	12.04	0.18	12.1	11.7
**CNOOC Ltd	10.04	-0.06	10.18	9.96
**ANTA Sports Products Ltd	104.7	0.5	105	102

Global Equity Indices	Close	Change	High	Low
Hang Seng	20793.11	647.82	20793.1	20233.39
HSCEI	7065.53	231.55	7065.53	6855.36
Shanghai Comp Index	3123.52	7.004	3129.09	3109.451
Nikkei 225	25716.9	-377.64	25840.7	25661.89
KOSPI	2255.98	37.3	2260.06	2198.82
S&P/ASX200	7059.22	113.028	7059.2	6946.2
DJIA	33269.8	133.4	33409.1	33033.48
S&P 500	3852.97	28.83	3873.16	3815.77
NASDAQ	10458.8	71.78	10515.2	10337.64
DAX	14490.8	309.11	14492.8	14264.6
CAC	6776.43	2.3	6780.83	6659.83
FTSE100	7585.19	31.1	7609.25	7545.18

Technical Analysis

Mini Hang Seng

1st Resistance:	21246	2nd Resistance:	21560
1st Support:	20618	2nd Support:	20304
MACD:	526,747		
MACD DIFF:	37,763		
RSI:	70.724		

Mini Hang Seng China Enterprise

1st Resistance:	7222	2nd Resistance:	7328
1st Support:	7008	2nd Support:	6902
MACD:	172,160		
MACD DIFF:	10,548		
RSI:	67.8437		

Strategy:

Mini Hang Seng:	Long: Profit target: 20618	Stop-loss: 20824	20515	Long: Profit target: 20304	Stop-loss: 20507	20203
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	Short: Profit target: 21246	Stop-loss: 21034	21352	Short: Profit target: 21560	Stop-loss: 21344	21668
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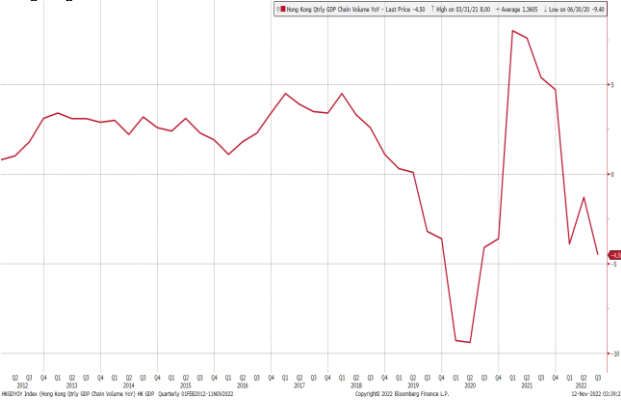
Mini Hang Seng China Enterprise:	Long: Profit target: 7008	Stop-loss: 7078	6973	Long: Profit target: 6902	Stop-loss: 6971	6867
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	Short: Profit target: 7222	Stop-loss: 7150	7258	Short: Profit target: 7328	Stop-loss: 7255	7365
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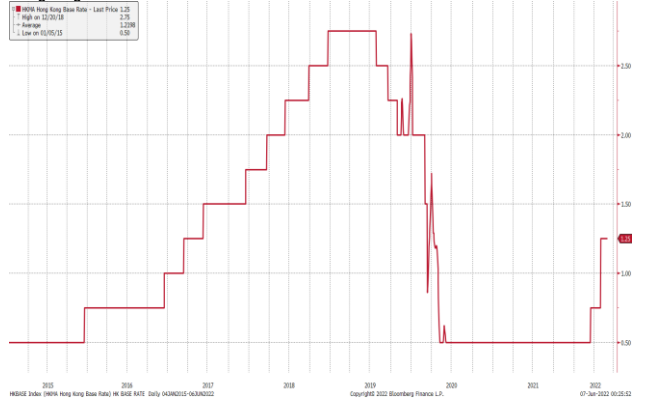
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
01/04/2023 16:30	Retail Sales Value YoY	Nov	4.80%	-4.20%	3.90%	4.00%
01/04/2023 16:30	Retail Sales Volume YoY	Nov	3.30%	-5.30%	2.40%	2.50%
01/05/2023 08:30	S&P Global Hong Kong PMI	Dec	--	--	48.7	--
01/06/2023	Foreign Reserves	Dec	--	--	\$423.2b	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
01/05/2023 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%	--

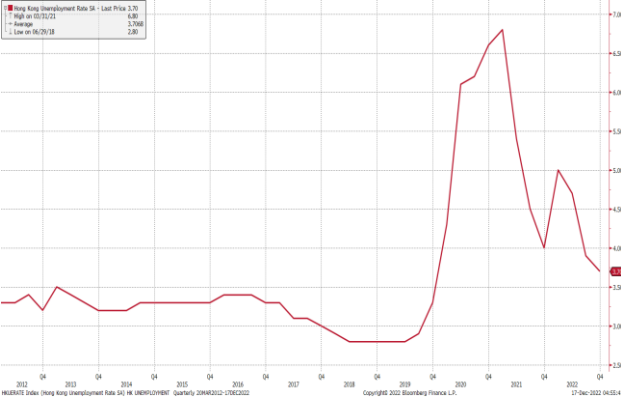
Hong Kong GDP Q on Q



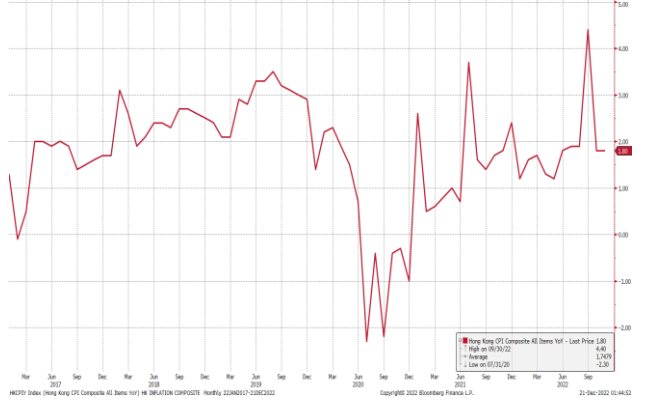
Hong Kong Base Interest Rate



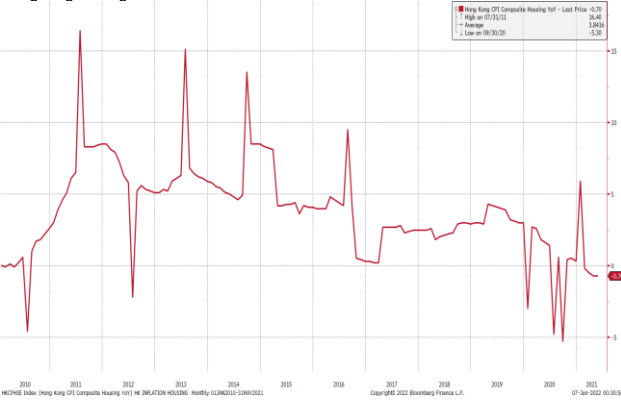
Hong Kong Unemployment Rate



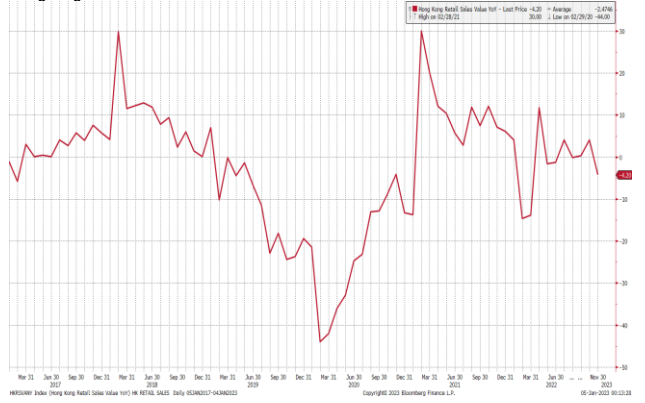
Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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