

Fundamentals:

Hong Kong stocks advanced on optimism there is more room for upside in the market on the back of China's reopening while the ChatGPT concept drove further gains in tech stocks.

The Hang Seng Index jumped 1.6 per cent to 21,624.36 at the close of Thursday trading, snapping a two-day slide for the best gain in two weeks. The Tech Index added 3.2 per cent, while the Shanghai Composite Index climbed 1.2 per cent.

Alibaba Group jumped 4 per cent to HK\$107.60 after the company said it was testing a ChatGPT-style chatbot, joining a growing bandwagon. Tencent added 3.5 per cent to HK\$395.60, and smartphone maker Xiaomi surged 8.5 per cent to HK\$13.52. Developer Longfor Group gained 3 per cent to HK\$25.70, and casino operator Sands China jumped 5.3 per cent to HK\$29.50.

China's economic reopening is well under way and policies are aligned to boost growth, analysts at Morgan Stanley said on Wednesday. The supportive business environment is likely to continue to prevail as policymakers will prop up the economy to maintain social stability, they added.

The Hang Seng Index appreciated as much as 55 per cent from a low in late October after China abandoned its zero-Covid policy, before losing some momentum this month. The city's benchmark index has retreated 4.7 per cent since peaking on January 27, which some Wall Street analysts see as a buying opportunity.

Caution prevailed as some rate traders bet the Fed terminal rate would rise as high as 6 per cent in 2023, according to Bloomberg, versus the consensus dotplot of 5.125 per cent among Fed participants. The US central bank downshifted this month by raising the Fed funds rate 25 basis points to a range of 4.50 to 4.75 per cent.

The Nasdaq Composite fell 1.7 per cent in New York overnight, abetted by a sell-off in Alphabet, the owner of Google. The jitters infected local stocks that had rallied this week on the ChatGPT-linked craze. Zhihu slumped 9.9 per cent to HK\$29.25, while Baidu slipped 3.7 per cent to HK\$151.60.

The Shanghai Stock Exchange on Wednesday issued queries to Beijing Haitian Ruisheng and CloudWalk Technology, whose shares have surged amid the ChatGPT hype. The two companies slipped 2.5 per cent and 9.2 per cent on Thursday, respectively.

Two stocks debuted in Shenzhen. Hunan Yuneng New Energy surged 125.5 per cent to 53.60 yuan, while materials supplier Shanghai Allied Industrial jumped 120 per cent to 54.78 yuan.

Asian stocks retreated on the Fed's hawkish outlook. The Kospi in South Korea and the Nikkei 225 index in Japan lost 0.1 per cent, while the S&P ASX 200 index in Australia dropped 0.5 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:	22006	2nd Resistance:	22331
1st Support:	21356	2nd Support:	21031
MACD:	242.091		
MACD DIFF:	-181.72		
RSI:	54.5534		

Mini Hang Seng China Enterprise

1st Resistance:	7434	2nd Resistance:	7544
1st Support:	7214	2nd Support:	7104
MACD:	77.125		
MACD DIFF:	-67.598		
RSI:	51.8042		

Strategy:

Mini Hang Seng:	Long: Profit target: 21356	Stop-loss: 21569	21249	Long: Profit target: 21031	Stop-loss: 21241	20925
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	Short: Profit target: 22006	Stop-loss: 21786	22116	Short: Profit target: 22331	Stop-loss: 22108	22443
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Mini Hang Seng China Enterprise:	Long: Profit target: 7214	Stop-loss: 7286	7178	Long: Profit target: 7104	Stop-loss: 7175	7069
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	Short: Profit target: 7434	Stop-loss: 7360	7471	Short: Profit target: 7544	Stop-loss: 7468	7581
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Contracts	Chg	Sett	High	Low
H. SENG FUT FEB 23	422	21681	21704	21087
H. SENG FUT MAR 23	427	21687	21702	21095
H. SENG FUT JUN 23	419	21623	21603	21035
H. SENG FUT SEP 23	422	21681	21704	21087
MINI H. SENG FUT FEB 23	422	21681	21703	21085
MINI H. SENG FUT MAR 23	427	21687	21700	21095
MINI H. SENG FUT JUN 23	419	21623	21630	21030
MINI H. SENG FUT SEP 23	422	21681	21703	21085
HSCEI FUT FEB 23	135	7324	7335	7111
HSCEI FUT MAR 23	139	7356	7358	7145
HSCEI FUT JUN 23	138	7333	7323	7145
HSCEI FUT SEP 23	135	7324	7335	7111
MINI HSCEI FUT FEB 23	135	7324	7336	7112
MINI HSCEI FUT MAR 23	139	7356	7360	7140
MINI HSCEI FUT JUN 23	138	7333	7336	7125
MINI HSCEI FUT SEP 23	135	7324	7336	7112

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	87.85	2.15	88.35	85.05
**Tencent Holdings Ltd	395.6	13.4	397	380
*HSBC Holdings PLC	58	0.2	58	57.35
**China Construction Bank Corp	4.99	-0.01	5.02	4.97
*Ping An Insurance Group	59.15	1.55	59.3	57
**Meituan	153.5	0.4	155	148.5
*Hong Kong Exchanges & Clearing Ltd	343.4	6.2	344	333
**Alibaba Group Holdings Ltd	107.6	4.1	108.5	103.1
**Xiaomi Corp	13.52	1.06	13.68	12.42
**ICBC	4.05	-0.03	4.11	4.03

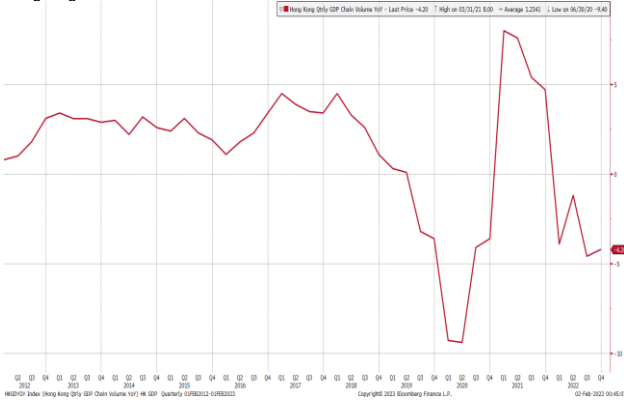
Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	65.7	0.5	66.3	64.15
**China Mobile Ltd	56.6	0.45	56.85	56
*Bank of China Ltd	2.98	0.01	2.99	2.95
*Techtronic Industries Co Ltd	104.6	0.7	105	102.8
*CK Hutchison Holdings Ltd	49.35	0.45	49.45	48.8
*Link REIT	62.8	-0.7	63	62.3
*CLP Holding Ltd	57.75	-0.05	57.95	57.4
**Geely Automobile Holdings Ltd	12.02	0.26	12.02	11.72
**CNOOC Ltd	11.46	-0.1	11.66	11.38
**ANTA Sports Products Ltd	115.4	1.9	115.8	112.7

Global Equity Indices	Close	Change	High	Low
Hang Seng	21624.36	340.84	21637.6	21151.27
HSCEI	7313.73	124.44	7315.12	7137.14
Shanghai Comp Index	3270.38	38.277	3270.38	3225.772
Nikkei 225	27584.4	-22.11	27635.4	27424.69
KOSPI	2481.52	-2.12	2487.14	2466.61
S&P/ASX200	7490.33	-39.735	7530.1	7482
DJIA	33699.9	-249.13	34252.6	33607.13
S&P 500	4081.5	-36.36	4156.23	4069.67
NASDAQ	11789.6	-120.94	12071	11745.11
DAX	15523.4	111.37	15658.6	15519.63
CAC	7188.36	0.96	7225.88	7179.64
FTSE100	7911.15	25.98	7949.57	7874.23

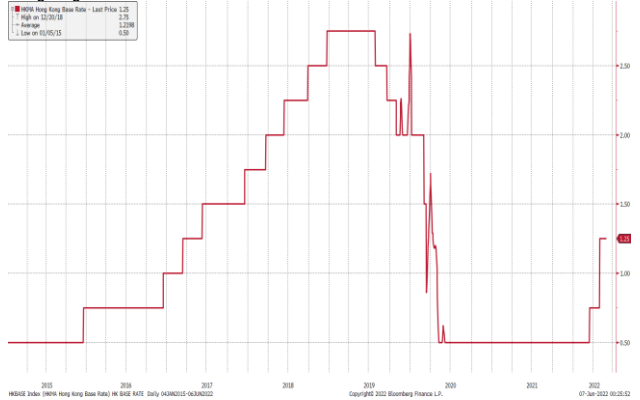
Hong Kong Economic Releases	Period	Survey	Actual	Prior	Revised
02/16/2023 16:30	Unemployment Rate SA	Jan	--	--	3.50%

China Economic Releases	Period	Survey	Actual	Prior	Revised
02/09/2023 02/15	Aggregate Financing CNY	Jan	5400.0b	--	1310.0b
02/09/2023 02/15	Money Supply M2 YoY	Jan	11.70%	--	11.80%
02/09/2023 02/15	Money Supply M0 YoY	Jan	--	--	15.30%
02/09/2023 02/15	New Yuan Loans CNY	Jan	4200.0b	--	1400.0b
02/09/2023 02/15	Money Supply M1 YoY	Jan	4.70%	--	3.70%
02/10/2023 09:30	CPI YoY	Jan	2.10%	--	1.80%
02/10/2023 09:30	PPI YoY	Jan	-0.50%	--	-0.70%
02/10/2023	BoP Current Account Balance	4Q P	--	--	\$144.3b
02/11/2023 02/18	FDI YTD YoY CNY	Jan	--	--	6.30%
02/15/2023 09:20	1-Yr Medium-Term Lending Facility Ra	Feb-15	2.75%	--	2.75%
02/15/2023 09:20	1-Yr Medium-Term Lending Facilities v	Feb-15	350.0b	--	779.0b
02/15/2023	FX Net Settlement - Clients CNY	Jan	--	--	33.8b
02/16/2023 09:00	Swift Global Payments CNY	Jan	--	--	2.15%
02/16/2023 09:30	New Home Prices MoM	Jan	--	--	-0.25%

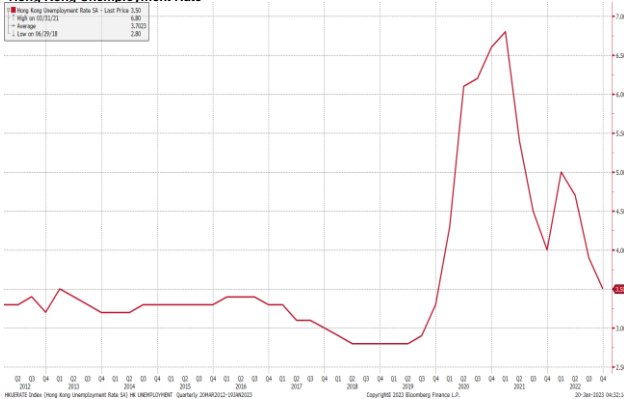
Hong Kong GDP Q on Q



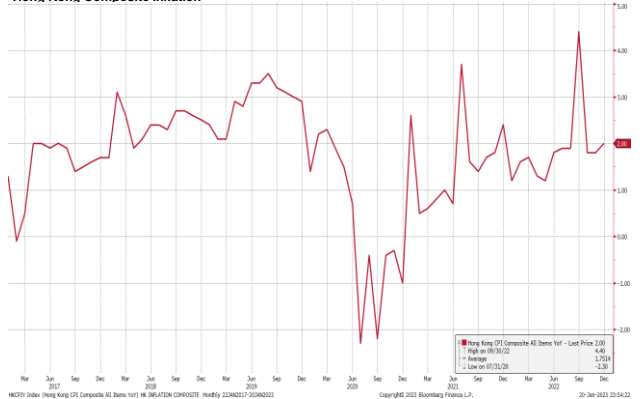
Hong Kong Base Interest Rate



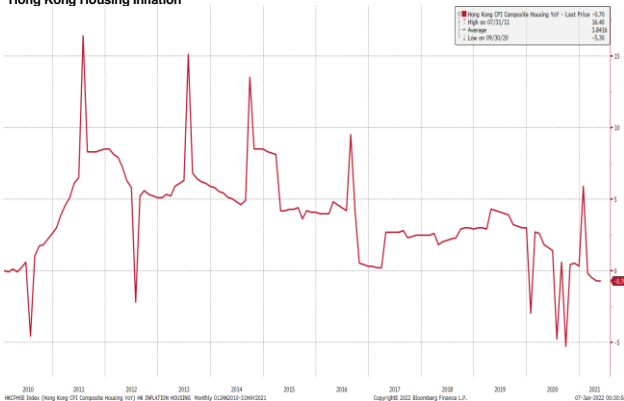
Hong Kong Unemployment Rate



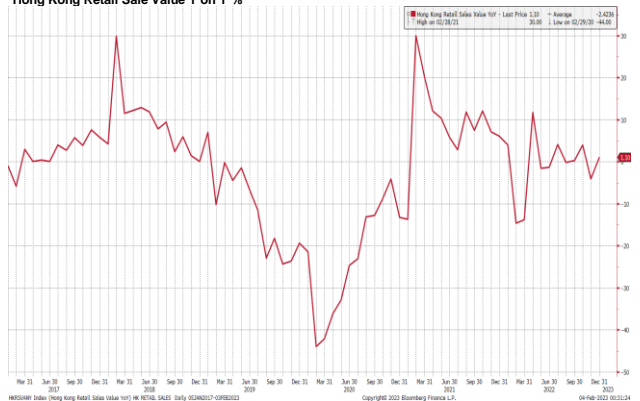
Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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