

## Fundamentals:

Hong Kong stocks fell into a correction after a short-seller report triggered a sell-off in power tools maker Techtronic. The market earlier rose on expectations stronger corporate earnings from Alibaba Group Holding and other industry leaders will boost sentiment.

The Hang Seng Index slid 0.4 per cent to 20,351.35 at the close of Thursday trading to the lowest level since January 3. The drop took the index's decline past 10 per cent from the peak on January 27, a technical pullback. The Tech Index pared a rally to 1.2 per cent, while the Shanghai Composite Index ended with a 0.1 per cent loss.

Techtronic sank 19 per cent to HK\$74.95 after little-known Jehoshaphat Research said it shorted the stock, alleging the Hong Kong-based power-tools maker inflated its profits. The stock has a 1.16 per cent weight in the Hang Seng Index. The company has not responded with a stock exchange filing at press time.

Limiting the market decline, Alibaba Group jumped 2.6 per cent to HK\$95.40 while NetEase added 4 per cent to HK\$138.90. Smartphone maker Xiaomi added 0.2 per cent to HK\$12.26 and bourse operator Hong Kong Exchanges and Clearing slid 0.7 per cent to HK\$325.20.

Elsewhere, HKEX said earnings increased 11 per cent to HK\$2.98 billion, a record in the December quarter, beating the market consensus for a 9 per cent gain, as stock trading volume surged and investment income fattened as Beijing's zero-Covid pivot boosted asset prices.

Alibaba, the owner of this newspaper, will issue its December quarter report card later today, with analysts expecting a 73 per cent jump in earnings. Game developer NetEase and Macau casino operator Galaxy Entertainment are also due to reports on Thursday.

The Hang Seng Index's slide contributed to a HK\$320 billion (US\$40.8 billion) sell-off in the broader market since January 27, according to Bloomberg data. Mainland Chinese funds took HK\$6.9 billion off the table, while hedge funds also withdrew.

Interest-rate traders raised their bets on more tightening by the Federal Reserves as policymakers delivered hawkish tones in the minutes of its last rate meeting. The odds of the Fed funds rate reaching 5.25 per cent to 5.50 per cent in the June meeting have risen to 59 per cent, versus 46 per cent a week ago, according to data compiled by CME Group.

Stocks were mixed in major Asian markets on concerns about rising geopolitical risks as China and Russia strengthened their ties. President Joe Biden visited Kyiv earlier this week to support the country, a year after Russia invaded Ukraine.

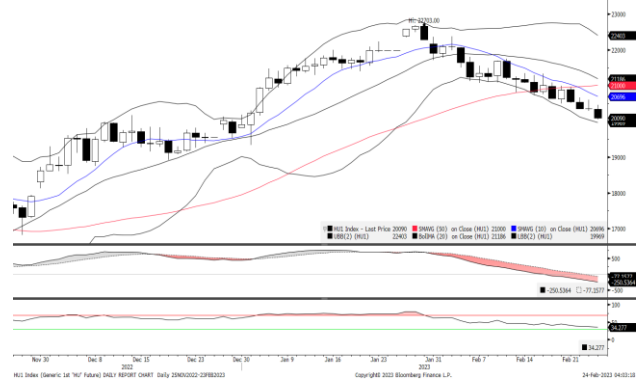
South Korea's Kospi lost 1.3 per cent and the S&P ASX 200 in Australia retreated 0.4 per cent. Nikkei was closed today due to a public holiday.

(Source: South China Morning Post)

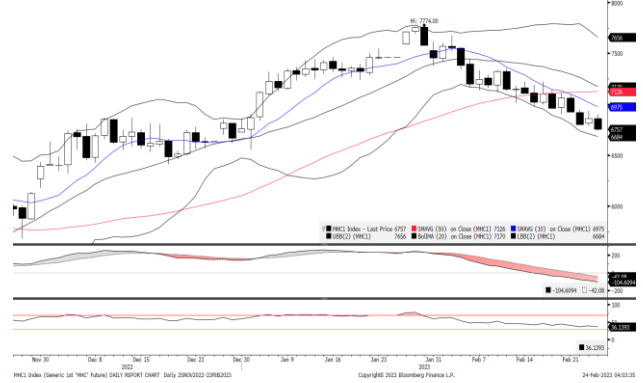
## HONG KONG INDEX FUTURES DAILY PREVIEW

Date Prepared : 24/Feb/2023

### Mini Hang Seng Futures Daily Chart



### Mini Hang Seng China Enterprise Futures Daily Chart



### Technical Analysis

#### Mini Hang Seng

1st Resistance: 20655      2nd Resistance: 20961  
 1st Support: 20045      2nd Support: 19740  
 MACD: -203.976  
 MACD DIFF: -169.983  
 RSI: 37.417

#### Mini Hang Seng China Enterprise

1st Resistance: 6964      2nd Resistance: 7067  
 1st Support: 6758      2nd Support: 6655  
 MACD: -88.569  
 MACD DIFF: -62.058  
 RSI: 39.176

### Strategy:

Mini Hang Seng: Long: Profit target: 20045    Stop-loss: 20245    19945      Long: Profit target: 19740    Stop-loss: 19937    19641

Short: Profit target: 20655    Stop-loss: 20449    20759      Short: Profit target: 20961    Stop-loss: 20751    21065

Mini Hang Seng China Enterprise: Long: Profit target: 6758    Stop-loss: 6826    6724      Long: Profit target: 6655    Stop-loss: 6722    6622

Short: Profit target: 6964    Stop-loss: 6894    6999      Short: Profit target: 7067    Stop-loss: 6996    7102

Contracts	Chg	Sett	High	Low
H. SENG FUT FEB 23	1	20350	20600	20285
H. SENG FUT MAR 23	-1	20354	20611	20300
H. SENG FUT JUN 23	14	20283	20503	20235
H. SENG FUT SEP 23	1	20350	20600	20285
MINI H. SENG FUT FEB 23	1	20350	20600	20283
MINI H. SENG FUT MAR 23	-1	20354	20609	20294
MINI H. SENG FUT JUN 23	14	20283	20520	20210
MINI H. SENG FUT SEP 23	1	20350	20600	20283
HSCEI FUT FEB 23	58	6861	6935	6787
HSCEI FUT MAR 23	58	6891	6967	6822
HSCEI FUT JUN 23	63	6869	6927	6800
HSCEI FUT SEP 23	58	6861	6935	6787
MINI HSCEI FUT FEB 23	58	6861	6936	6788
MINI HSCEI FUT MAR 23	58	6891	6965	6820
MINI HSCEI FUT JUN 23	63	6869	6941	6795
MINI HSCEI FUT SEP 23	58	6861	6936	6788

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	81.1	-1.3	82.2	81.05
**Tencent Holdings Ltd	356	0	363.4	348.4
*HSBC Holdings PLC	59.35	-1.3	60.15	59.3
**China Construction Bank Corp	4.93	0	4.97	4.92
**Ping An Insurance Group	55.9	0.3	56.95	55.55
**Meituan	139.1	-0.9	142.2	138.5
*Hong Kong Exchanges & Clearing Ltd	327.6	0.2	333.8	325.8
**Alibaba Group Holdings Ltd	95.15	2.2	96.25	92.6
**Xiaomi Corp	12.14	-0.1	12.44	12.1
**ICBC	4.02	0.01	4.06	4.01

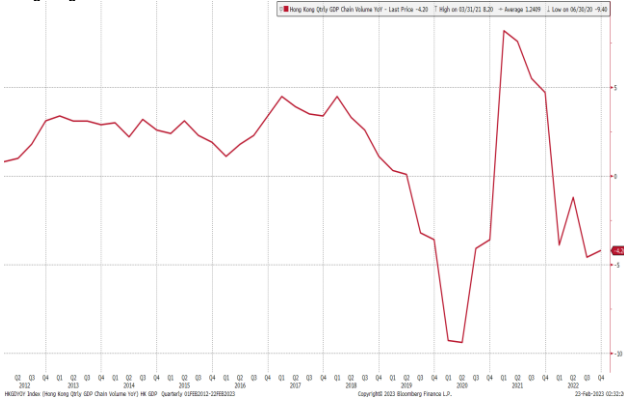
Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	54.8	-0.1	56.25	54.2
**China Mobile Ltd	58.6	0.25	59.45	58.2
**Bank of China Ltd	2.93	0	2.95	2.93
*Techtronic Industries Co Ltd	74.95	-17.55	94.45	74.6
*CK Hutchison Holdings Ltd	47.45	-0.3	47.85	47.4
*Link REIT	53.2	0	54.15	53.05
*CLP Holding Ltd	56.15	-0.35	56.85	56.1
**Geely Automobile Holdings Ltd	11.42	0.04	11.56	11.34
**CNOOC Ltd	11.48	-0.04	11.66	11.44
**ANTA Sports Products Ltd	104.4	0.1	106.7	103.3

Global Equity Indices	Close	Change	High	Low
Hang Seng	20351.35	-72.49	20601.2	20323.24
HSCEI	6859.95	27.19	6935.01	6806.18
Shanghai Comp Index	3287.48	-3.671	3307.44	3275.362
Nikkei 225	0	0	0	0
KOSPI	2439.09	21.41	2449.62	2422.62
S&P/ASX200	7285.4	-29.107	7314.5	7283.4
DJIA	33153.9	108.82	33272.4	32795.67
S&P 500	4012.32	21.27	4028.3	3969.19
NASDAQ	11590.4	83.33	11639	11432.58
DAX	15475.7	75.8	15552.8	15433.97
CAC	7317.43	0.25	7357.68	7301.42
FTSE100	7907.72	-22.91	7935.56	7888.88

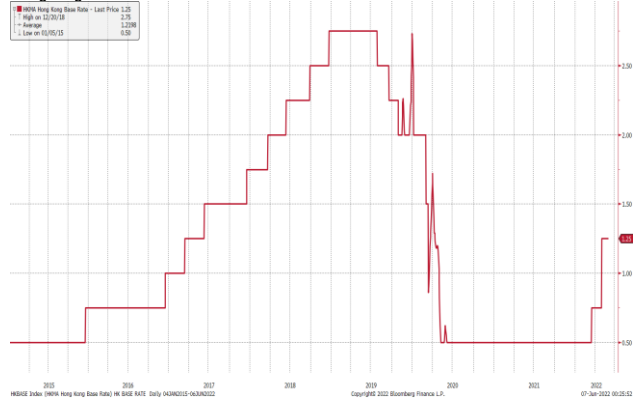
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
02/23/2023 16:30	CPI Composite YoY	Jan	2.10%	2.40%	2.00%	--
02/27/2023 16:30	Exports YoY	Jan	--	--	-28.90%	-23.50%
02/27/2023 16:30	Imports YoY	Jan	--	--	-23.50%	--
02/27/2023 16:30	Trade Balance HKD	Jan	--	--	-51.6b	--
02/28/2023 16:30	Budget Balance HKD	Jan	--	--	87.1b	--
02/28/2023	Money Supply M3 HKD YoY	Jan	--	--	0.60%	--
02/28/2023	Money Supply M2 HKD YoY	Jan	--	--	0.60%	--
02/28/2023	Money Supply M1 HKD YoY	Jan	--	--	-17.80%	--
03/02/2023 16:30	Retail Sales Value YoY	Jan	--	--	1.10%	--
03/02/2023 16:30	Retail Sales Volume YoY	Jan	--	--	-0.70%	--
03/03/2023 08:30	S&P Global Hong Kong PMI	Feb	--	--	51.2	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
02/24/2023 10:00	Bloomberg Feb. China Economic Survey	Feb	--	--	52.9	--
03/01/2023 09:30	Composite PMI	Feb	--	--	50.1	--
03/01/2023 09:30	Manufacturing PMI	Feb	--	--	54.4	--
03/01/2023 09:30	Non-manufacturing PMI	Feb	--	--	49.2	--
03/03/2023 09:45	Caxin China PMI Mfg	Feb	--	--	51.1	--
03/03/2023 09:45	Caxin China PMI Services	Feb	--	--	52.9	--

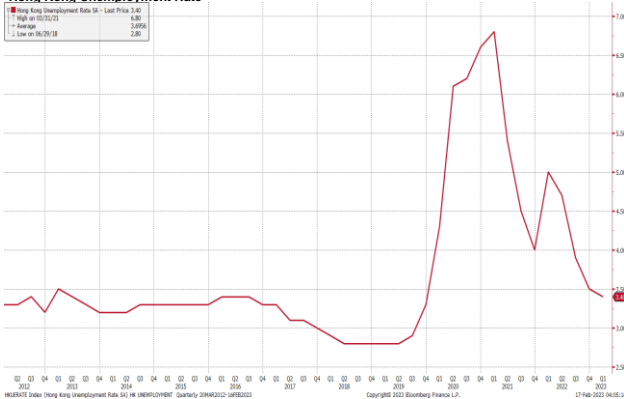
### Hong Kong GDP Q on Q



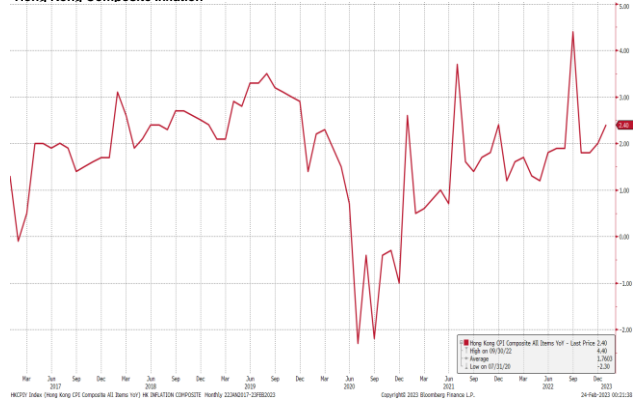
### Hong Kong Base Interest Rate



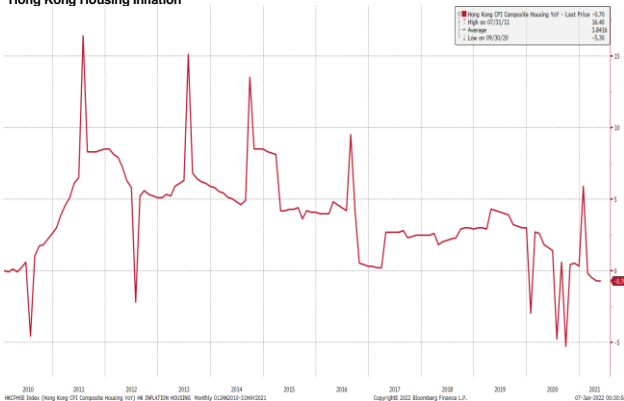
### Hong Kong Unemployment Rate



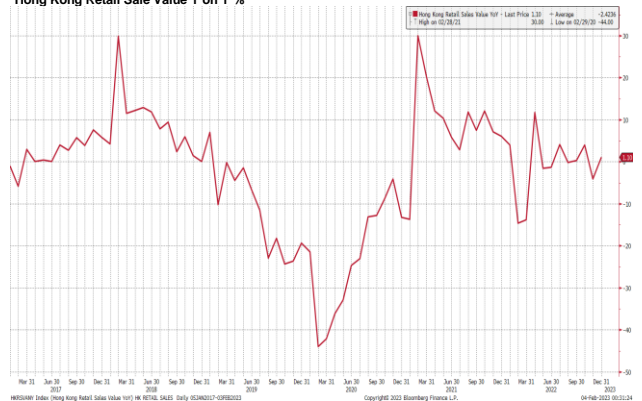
### Hong Kong Composite Inflation



### Hong Kong Housing Inflation



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



(Source: Bloomberg)

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