

**Fundamentals:**

Hong Kong stocks declined as Chinese tech companies languished amid worries about corporate earnings and fund outflows, while investors reassess rate outlook after the Federal Reserve said borrowing costs would need to keep rising to put a lid on inflation.

The Hang Seng Index dropped 0.1 per cent to 21,283.52 at the close of trading on Wednesday. The Tech Index lost 1.9 per cent and the Shanghai Composite Index declined 0.5 per cent.

Meituan crashed 6.1 per cent to HK\$153.70 and Alibaba Group slipped 1.2 per cent to HK\$103.50, following reports that TikTok's parent company ByteDance is planning to launch a delivery platform to rival market leaders. Alibaba Health tumbled 3.8 per cent to HK\$6.10 and carmaker BYD weakened 2.2 per cent to HK\$240 and peer Geely Auto slid 3 per cent to HK\$11.72.

Limiting losses, HSBC advanced 2 per cent to HK\$57.75 and New World Development jumped 2.1 per cent to HK\$24.05, while Chinese developer Longfor Group rose 1.4 per cent to HK\$24.95.

Mainland funds were net sellers of Hong Kong-listed stocks on Wednesday, taking HK\$3.6 billion (US\$458 million) off the table, according to Stock Connect data.

The Hang Seng Index has struggled this month to extend a 45 per cent rally from late October as fatigue sets in. Renewed US-China geopolitical tensions prompted traders to check risk-taking, while data showed earnings from Chinese companies are likely to take more time to recover.

Reports this week showed mainland vehicle sales in holiday-shortened January fell 41 per cent from a year earlier, the industry association said. Great Wall Motors and Geely Auto reported weaker data.

There were more negative profit alerts in nine of the 11 sectors so far in the fourth quarter reports, according to data compiled by Goldman Sachs, with property and diversified financials dominating the warnings. The US bank expects Chinese companies to post a 3 per cent drop in earnings from a year earlier.

Elsewhere, Baidu tumbled 2.7 per cent to HK\$158.10, as traders deemed its 15 per cent surge on Tuesday as excessive without fundamental backing. Sense time dropped 6.9 per cent to HK\$2.68 after SoftBank Group trimmed its stake earlier this month, according to a stock exchange filing.

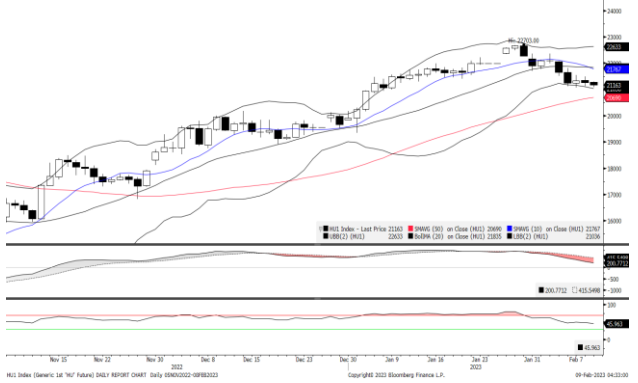
Federal Reserve Chair Jerome Powell's comment also tempered optimism the central bank will continue to downshift. "It kind of shows you why we think this is a process that will take a significant period of time," Powell said in Washington on Tuesday. "We have a significant road ahead to get inflation down to 2 per cent."

Three stocks debuted on Wednesday. Household appliance maker Globe Jiangsu surged 24 per cent to 38.30 yuan and silicon dioxide producer Guangzhou Lingwe Technology surged 29 per cent to 43.35 yuan in Shenzhen. Harvest Jingdong Warehouse jumped 12 per cent to 3.92 yuan in Shanghai.

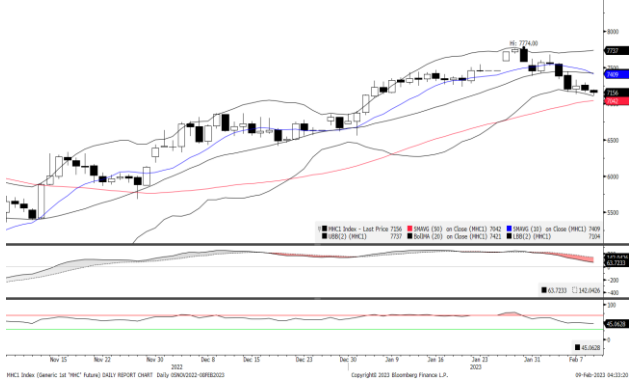
Asian markets were mixed with the Kospi in South Korea gaining 1.3 per cent and the S&P ASX 200 index in Australia adding 0.4 per cent. The Nikkei 225 index in Japan dropped 0.3 per cent.

(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:	21578	2nd Resistance:	21897
1st Support:	20940	2nd Support:	20621
MACD:	261.811		
MACD DIFF:	-207.43		
RSI:	47.5734		

**Mini Hang Seng China Enterprise**

1st Resistance:	7297	2nd Resistance:	7405
1st Support:	7081	2nd Support:	6973
MACD:	87.639		
MACD DIFF:	-73.984		
RSI:	46.3199		

**Strategy:**

<b>Mini Hang Seng:</b>	Long: Profit target: 20940	Stop-loss: 21150	20835	Long: Profit target: 20621	Stop-loss: 20827	20518
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	Short: Profit target: 21578	Stop-loss: 21362	21686	Short: Profit target: 21897	Stop-loss: 21678	22006
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<b>Mini Hang Seng China Enterprise:</b>	Long: Profit target: 7081	Stop-loss: 7152	7046	Long: Profit target: 6973	Stop-loss: 7043	6938
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	Short: Profit target: 7297	Stop-loss: 7224	7333	Short: Profit target: 7405	Stop-loss: 7331	7442
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Contracts	Chg	Sett	High	Low
H. SENG FUT FEB 23	-80	21259	21495	21113
H. SENG FUT MAR 23	-85	21260	21495	21118
H. SENG FUT JUN 23	-81	21204	21422	21135
H. SENG FUT SEP 23	-80	21259	21495	21113
MINI H. SENG FUT FEB 23	-80	21259	21495	21114
MINI H. SENG FUT MAR 23	-85	21260	21498	21125
MINI H. SENG FUT JUN 23	-81	21204	21430	21081
MINI H. SENG FUT SEP 23	-80	21259	21495	21114
HSCEI FUT FEB 23	-58	7189	7290	7155
HSCEI FUT MAR 23	-62	7217	7327	7198
HSCEI FUT JUN 23	-67	7195	7294	7194
HSCEI FUT SEP 23	-58	7189	7290	7155
MINI HSCEI FUT FEB 23	-58	7189	7289	7156
MINI HSCEI FUT MAR 23	-62	7217	7314	7189
MINI HSCEI FUT JUN 23	-67	7195	7288	7170
MINI HSCEI FUT SEP 23	-58	7189	7289	7156

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	85.7	0.3	86.55	85.2
**Tencent Holdings Ltd	382.2	2.2	386.8	377.8
*HSBC Holdings PLC	57.8	1.2	58.1	56.9
**China Construction Bank Corp	5	0.04	5.03	4.96
**Ping An Insurance Group	57.6	0.55	58.1	56.95
**Meituan	153.1	-10.6	159	148.3
*Hong Kong Exchanges & Clearing Ltd	337.2	-2	341.4	334.6
**Alibaba Group Holdings Ltd	103.5	-1.3	104.8	102.1
**Xiaomi Corp	12.46	-0.38	13.06	12.4
**ICBC	4.08	0.03	4.11	4.06

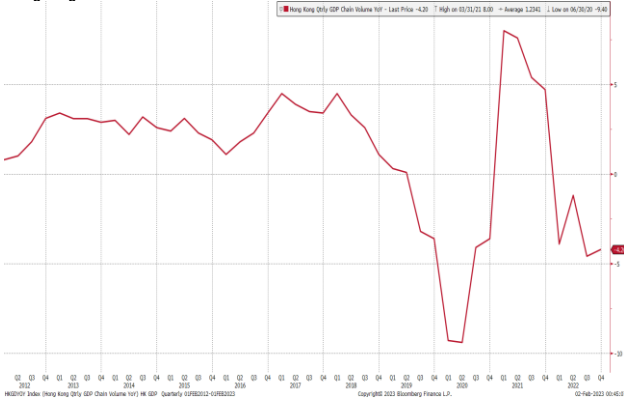
Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	65.2	0.75	66.9	64.2
**China Mobile Ltd	56.15	-0.15	56.75	56.15
**Bank of China Ltd	2.97	0.01	2.99	2.95
*Techtronic Industries Co Ltd	103.9	0.3	106.1	102
*CK Hutchison Holdings Ltd	48.9	0.35	49.7	48.5
*Link REIT	63.5	0.9	63.6	62.65
*CLP Holding Ltd	57.8	0.2	58	57.4
**Geely Automobile Holdings Ltd	11.76	-0.32	12.08	11.64
**CNOOC Ltd	11.56	0.16	11.66	11.48
**ANTA Sports Products Ltd	113.5	0.4	115.1	111.6

Global Equity Indices	Close	Change	High	Low
Hang Seng	21283.52	-15.18	21443.5	21178.87
HSCEI	7189.29	-42.96	7270.59	7143.69
Shanghai Comp Index	3232.11	-15.988	3257.11	3230.439
Nikkei 225	27606.5	-79.01	27719.5	27458.53
KOSPI	2483.64	31.93	2487.35	2465.96
S&P/ASX200	7530.07	25.929	7534.9	7504.1
DJIA	33949	-207.68	34161.7	33899.79
S&P 500	4117.86	-46.14	4156.85	4111.67
NASDAQ	11910.5	-203.27	12096.4	11890.09
DAX	15412.1	91.17	15486.1	15371.93
CAC	7119.83	-0.18	7190.86	7119.83
FTSE100	7885.17	20.46	7934.3	7864.66

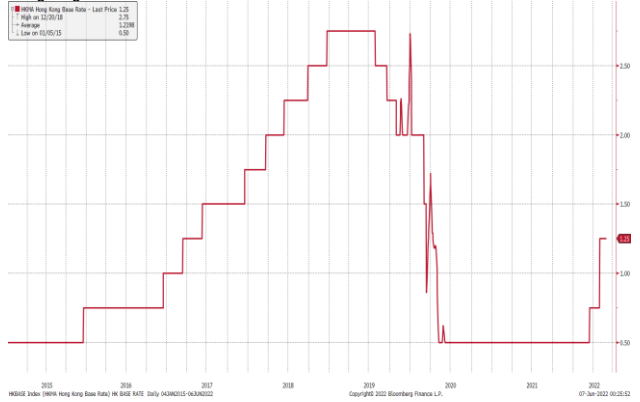
Hong Kong Economic Releases	Period	Survey	Actual	Prior	Revised
02/16/2023 16:30	Unemployment Rate SA	Jan	--	--	3.50%

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%

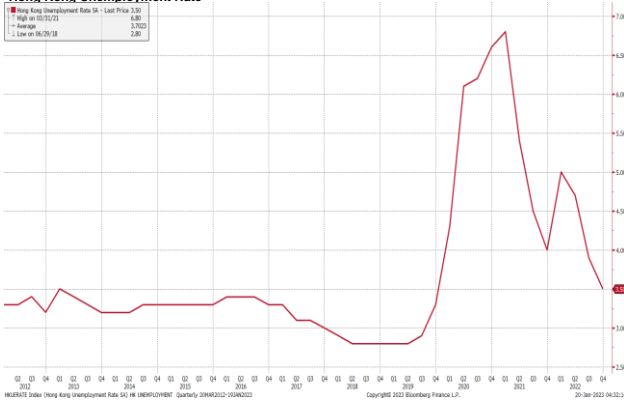
### Hong Kong GDP Q on Q



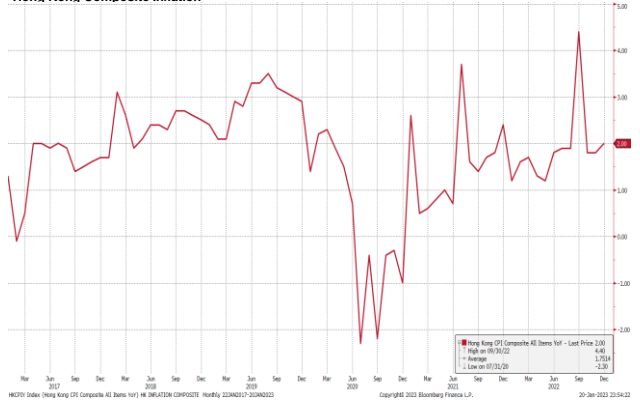
### Hong Kong Base Interest Rate



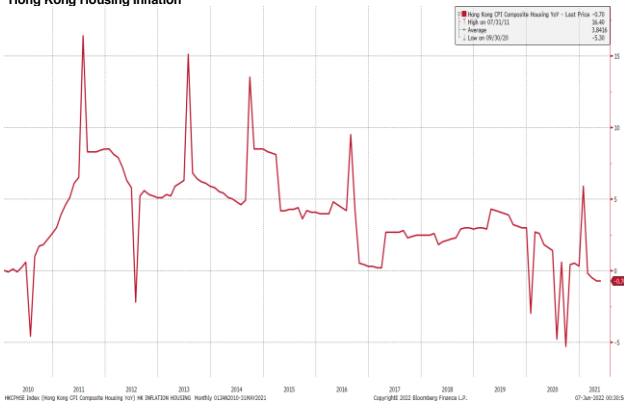
### Hong Kong Unemployment Rate



### Hong Kong Composite Inflation



### Hong Kong Housing Inflation



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



(Source: Bloomberg)

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