

Fundamentals:

Hong Kong stocks slumped in February, marking the first monthly loss since October amid growing competition among Chinese tech firms while geopolitical tensions undermined risk appetite. Cosmetics retailing chain Sa Sa International jumped after the city scrapped its mask-wearing rules.

The Hang Seng Index dropped 0.8 per cent to 19,785.94 at the close of Tuesday trading, the lowest level this year. The Tech Index dropped 1.6 per cent, while the Shanghai Composite Index added 0.7 per cent.

Alibaba dropped 3.2 per cent to HK\$86.50 and JD.com slid 2.4 per cent to HK\$173.70. BYD dropped 2 per cent to HK\$211.20 on media reports it cut car prices to garner sales, while peer Geely Auto slumped 4.5 per cent to HK\$10.24. Xinyi Solar tumbled 9.2 per cent to HK\$8.38 after its 2022 earnings missed market expectations.

The Hang Seng Index slumped 9.3 per cent this month, erasing more than US\$310 billion of capitalisation from the city's broader market. The technical correction of more than 10 per cent since January 27 has also pushed the market into near-oversold levels.

Chinese companies like JD.com, Pinduoduo, Meituan, Xpeng and BYD have recently fought over e-commerce dominance, food delivery market share and competed for consumer dollars by slashing domestic car prices, threatening profit margins.

Elsewhere, Sa Sa International jumped as much as 6.4 per cent to HK\$1.84 and closed 5.8 per cent higher at HK\$1.83 to bring this year's gain to 0.6 per cent. The stock appreciated about 9 per cent in 2022 as the pandemic subsided. The government's decision to scrap the mask mandate may help boost cosmetics sales.

Hong Kong will end a three-year requirement on mask-wearing on Wednesday, except in certain premises, the government said on Tuesday. Macau this week also lifted general outdoor mask-wearing requirements.

Stocks earlier advanced on earnings outlook before surrendering all gains. Some 56 per cent of Chinese companies exceeded market expectations with their earnings reports in the final quarter of 2022, surpassing the ratios in other Asian markets, Goldman Sachs said. Profit downgrades involving Chinese stocks have also slowed this month, whose upgrades in Hong Kong accelerated, Bank of America said.

High frequency indicators such as mobility point to an ongoing recovery in domestic activity across China, BofA strategists said in a note on Monday. Analysts at Nomura said China's housing market is recovering, though car sales and goods shipment remained weak.

Major Asian markets advanced, with benchmark indexes in South Korea, Australia and Japan rising by 0.1 to 0.5 per cent.

(Source: South China Morning Post)

HONG KONG INDEX FUTURES DAILY PREVIEW

Date Prepared : 01/Mar/2023

Mini Hang Seng Futures Daily Chart



Mini Hang Seng China Enterprise Futures Daily Chart



Contracts	Chg	Sett	High	Low
H. SENG FUT MAR 23	-174	19742	20182	19718
H. SENG FUT APR 23	-221	19811	20208	19790
H. SENG FUT JUN 23	-173	19673	20101	19663
H. SENG FUT SEP 23	-174	19742	20182	19718
MINI H. SENG FUT MAR 23	-174	19742	20182	19718
MINI H. SENG FUT APR 23	#N/A	N/A	19811	20233
MINI H. SENG FUT JUN 23	-173	19673	20108	19650
MINI H. SENG FUT SEP 23	-174	19742	20182	19718
HSCEI FUT MAR 23	-92	6597	6767	6591
HSCEI FUT APR 23	-93	6623	6783	6630
HSCEI FUT JUN 23	-93	6576	6728	6582
HSCEI FUT SEP 23	-92	6597	6767	6591
MINI HSCEI FUT MAR 23	-92	6597	6767	6592
MINI HSCEI FUT APR 23	#N/A	N/A	6623	6780
MINI HSCEI FUT JUN 23	-93	6576	6737	6582
MINI HSCEI FUT SEP 23	-92	6597	6767	6592

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	83.25	1.1	84.4	82.75
**Tencent Holdings Ltd	343.6	-5.8	357.6	343.6
*HSBC Holdings PLC	59.3	0.25	60.05	59.15
**China Construction Bank Corp	4.8	-0.05	4.92	4.8
**Ping An Insurance Group	53.3	-0.2	54.65	53
**Meituan	136.1	-0.1	140.4	135.1
*Hong Kong Exchanges & Clearing Ltd	314.6	-4	322.4	312.2
**Alibaba Group Holdings Ltd	86.5	-2.9	89.25	86.05
**Xiaomi Corp	11.86	0	12.2	11.76
**ICBC	3.92	-0.03	4	3.91

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	54.7	1.25	54.95	53.4
**China Mobile Ltd	58.8	1.5	59	57.8
**Bank of China Ltd	2.88	-0.02	2.93	2.88
*Techtronic Industries Co Ltd	78.05	-0.95	78.8	75.65
*CK Hutchison Holdings Ltd	46.8	-0.35	47.7	46.8
*Link REIT	51.6	0.75	51.8	51.3
*CLP Holding Ltd	55.55	-0.15	56.5	55.5
**Geely Automobile Holdings Ltd	10.18	-0.54	10.84	10.06
**CNOOC Ltd	11.02	-0.14	11.3	10.98
**ANTA Sports Products Ltd	103.4	-0.4	107.7	103.2

Global Equity Indices	Close	Change	High	Low
Hang Seng	19785.94	-157.57	20185.1	19783.07
HSCEI	6581.47	-88.75	6738.89	6578.89
Shanghai Comp Index	3279.61	21.571	3280.42	3246.145
Nikkei 225	27445.6	21.6	27585.2	27400.36
KOSPI	2412.85	10.21	2431.67	2407.29
S&P/ASX200	7258.4	33.587	7273.6	7224.8
DJIA	32656.7	-232.39	32873.5	32636.43
S&P 500	3970.15	-12.09	3997.5	3968.98
NASDAQ	11455.5	-11.44	11548.2	11435.39
DAX	15365.1	-16.29	15443.2	15289.43
CAC	7267.93	-0.38	7317.98	7249.47
FTSE100	7876.28	-58.83	7935.11	7854.82

Technical Analysis

Mini Hang Seng

1st Resistance:	20038	2nd Resistance:	20334
1st Support:	19446	2nd Support:	19150
MACD:	-351.718		
MACD DIFF:	-181.685		
RSI:	30.5405		

Mini Hang Seng China Enterprise

1st Resistance:	6696	2nd Resistance:	6795
1st Support:	6498	2nd Support:	6399
MACD:	-145.150		
MACD DIFF:	-68.027		
RSI:	32.0204		

Strategy:

Mini Hang Seng:	Long: Profit target: 19446	Stop-loss: 19640	19349	Long: Profit target: 19150	Stop-loss: 19341	19054
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	Short: Profit target: 20038	Stop-loss: 19838	20138	Short: Profit target: 20334	Stop-loss: 20131	20436
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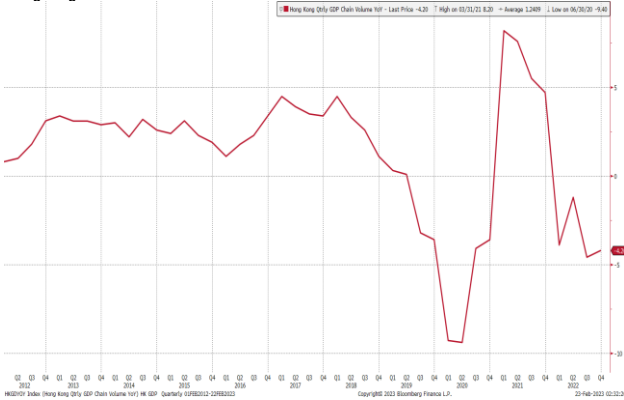
Mini Hang Seng China Enterprise:	Long: Profit target: 6498	Stop-loss: 6563	6466	Long: Profit target: 6399	Stop-loss: 6463	6367
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	Short: Profit target: 6696	Stop-loss: 6629	6729	Short: Profit target: 6795	Stop-loss: 6727	6829
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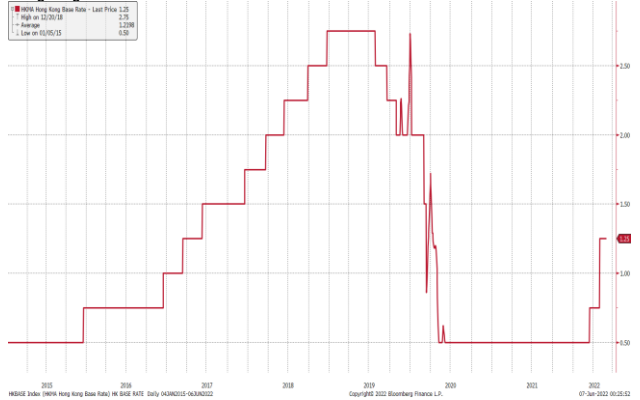
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
02/27/2023 16:30	Exports YoY	Jan	-27.60%	-36.70%	-28.90%	-23.50%
02/27/2023 16:30	Imports YoY	Jan	-23.10%	-30.20%	-23.50%	--
02/27/2023 16:30	Trade Balance HKD	Jan	-17.0b	-25.4b	-51.6b	--
02/28/2023 16:30	Budget Balance HKD	Jan	--	--	87.1b	--
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	4.50%	--	1.10%	--
03/02/2023 16:30	Retail Sales Volume YoY	Jan	2.20%	--	-0.70%	--
03/03/2023 08:30	S&P Global Hong Kong PMI	Feb	--	--	51.2	--
03/07/2023	Foreign Reserves	Feb	--	--	\$436.9b	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
03/01/2023 09:30	Composite PMI	Feb	--	--	52.9	--
03/01/2023 09:30	Manufacturing PMI	Feb	50.7	--	50.1	--
03/01/2023 09:30	Non-manufacturing PMI	Feb	54.9	--	54.4	--
03/01/2023 09:45	Caixin China PMI Mfg	Feb	50.8	--	49.2	--
03/03/2023 09:45	Caixin China PMI Composite	Feb	--	--	51.1	--
03/03/2023 09:45	Caixin China PMI Services	Feb	54.1	--	52.9	--
03/07/2023	Exports YTD YoY	Feb	--	--	--	16.10%
03/07/2023	Trade Balance YTD	Feb	--	--	--	\$109.54b
03/07/2023	Imports YTD YoY	Feb	--	--	--	--
03/07/2023	Exports YTD YoY CNY	Feb	--	--	--	--
03/07/2023	Imports YTD YoY CNY	Feb	--	--	--	--
03/07/2023	Trade Balance YTD CNY	Feb	--	--	--	--
03/07/2023	Foreign Reserves	Feb	--	--	\$3184.46b	--

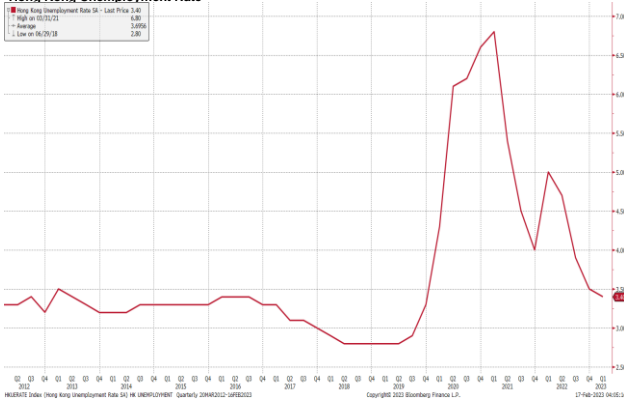
Hong Kong GDP Q on Q



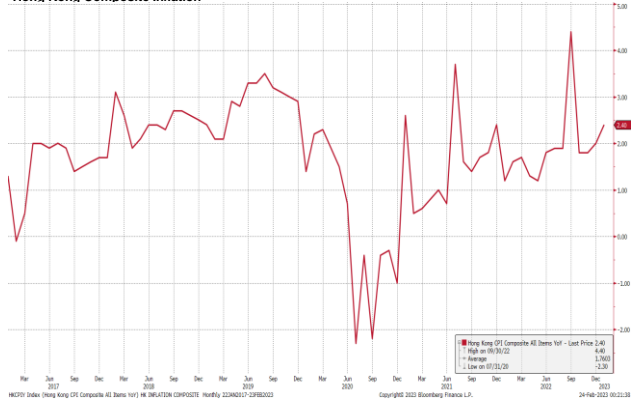
Hong Kong Base Interest Rate



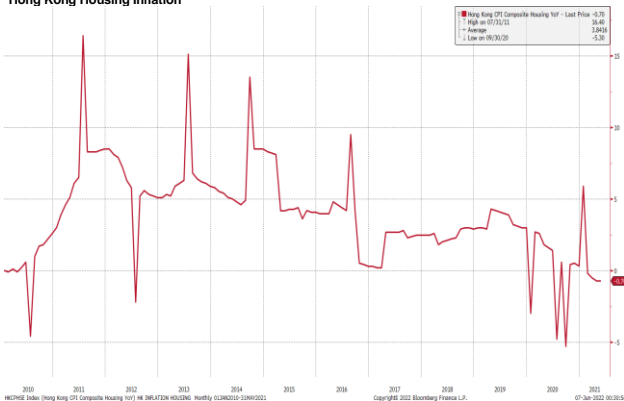
Hong Kong Unemployment Rate



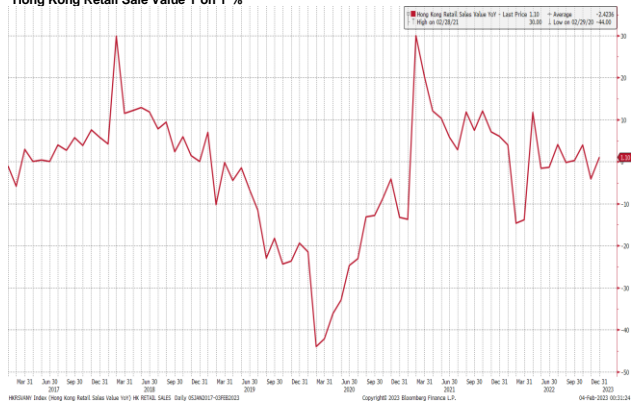
Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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