

## Fundamentals:

Hong Kong stocks slumped by most in five weeks amid China's moves to strengthen its regulatory oversight of the financial markets while preparing to counter US technology curbs. Traders bet the Federal Reserve will tighten more aggressively later this month to stem inflation.

The Hang Seng Index fell 2.4 per cent to 20,051.25 at the close of Wednesday trading, the biggest drop since January 30. The benchmark earlier fell below 20,000 points for the first time since February 28. The Tech Index sank 3.2 per cent and the Shanghai Composite Index retreated 0.1 per cent.

JD.com tumbled 4.4 per cent to HK\$178.30 and Alibaba Group slipped 3.2 per cent to HK\$85.75 to lead benchmark index losers. Tencent retreated 2.1 per cent to HK\$349.60, and Xiaomi slumped 4.2 per cent to HK\$12. Carmaker BYD declined 2.9 per cent to HK\$217.40 while Country Garden Services lost 7.2 per cent to HK\$14.24.

China unveiled a plan to form the National Financial Regulatory Commission to oversee the banking and insurance industries, which will absorb some of the powers from the central bank and stock market regulator. Beijing will also form a bureau to tighten data security, a week after the US put more Chinese companies on its tech export blacklist.

Local stocks and some regional markets were also whacked by comments from Fed Chair Jerome Powell that the US central bank could quicken rate increases as needed, and that the terminal rate would be eventually higher than expected amid sticky consumer inflation.

Rates traders priced in a 50-basis point hike for the March meeting, up from a 25-basis point bet. There is more than an even chance the Fed funds rate will climb to between 5.50 and 5.75 per cent by the June meeting, according to probability compiled by CME Group.

The Fed raised its key rate by a quarter point to a range of 4.5 per cent to 4.75 per cent last month.

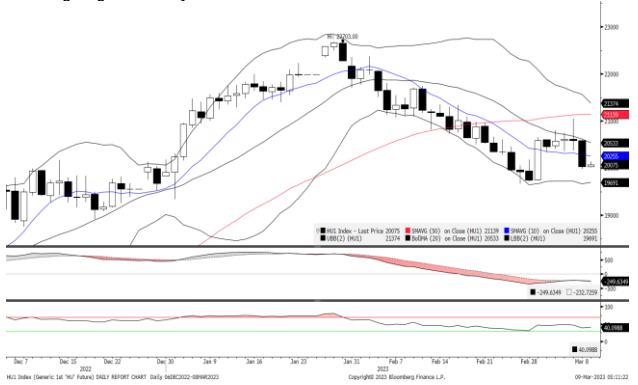
Cathay Pacific Airways, the city's flagship carrier, slipped 0.3 per cent to HK\$7.82 after posting a net loss of HK\$7.16 billion (US\$912.1 million). While it recorded an operating profit for the first time since 2019, revenue trailed market consensus, according to results published on Wednesday.

Two companies started trading on Wednesday. Ningbo Yibin Electronic Technology surged 44 per cent to 24.48 yuan in Shenzhen, while Hangzhou Kaida Metal Catalyst and Compound jumped 39 per cent to 8.69 yuan in Beijing.

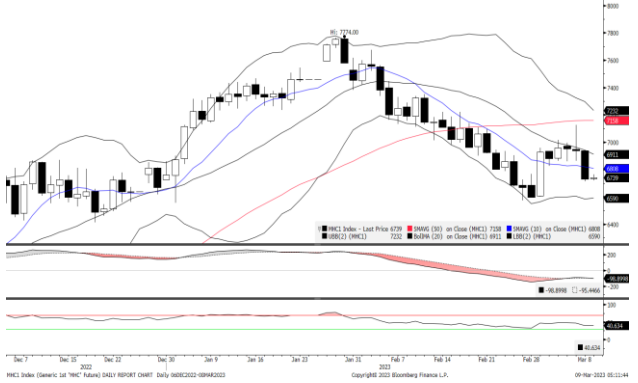
Other major Asian markets were mixed. Japan's Nikkei 225 climbed 0.5 per cent, while South Korea's KOSPI retreated 1.2 per cent and Australia's S&P/ASX 200 lost 0.8 per cent.

(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:	20331	2nd Resistance:	20632
1st Support:	19731	2nd Support:	19430
MACD:	-237.462		
MACD DIFF:	-8.73352		
RSI:	39.2441		

### Mini Hang Seng China Enterprise

1st Resistance:	6831	2nd Resistance:	6932
1st Support:	6629	2nd Support:	6528
MACD:	-94.280		
MACD DIFF:	0.373		
RSI:	40.2209		

## Strategy:

<b>Mini Hang Seng:</b>	Long: Profit target: 19731	Stop-loss: 19928	19632	Long: Profit target: 19430	Stop-loss: 19624	19333
------------------------	----------------------------	------------------	-------	----------------------------	------------------	-------

	Short: Profit target: 20331	Stop-loss: 20128	20433	Short: Profit target: 20632	Stop-loss: 20426	20735
--	-----------------------------	------------------	-------	-----------------------------	------------------	-------

<b>Mini Hang Seng China Enterprise:</b>	Long: Profit target: 6629	Stop-loss: 6695	6596	Long: Profit target: 6528	Stop-loss: 6593	6495
---	---------------------------	-----------------	------	---------------------------	-----------------	------

	Short: Profit target: 6831	Stop-loss: 6763	6865	Short: Profit target: 6932	Stop-loss: 6863	6967
--	----------------------------	-----------------	------	----------------------------	-----------------	------

Contracts	Chg	Sett	High	Low
H. SENG FUT MAR 23	-553	20031	20592	19982
H. SENG FUT APR 23	-556	20093	20623	20050
H. SENG FUT JUN 23	-555	19963	20506	19921
H. SENG FUT SEP 23	-553	20031	20592	19982
MINI H. SENG FUT MAR 23	-553	20031	20592	19981
MINI H. SENG FUT APR 23	-556	20093	20653	20049
MINI H. SENG FUT JUN 23	-555	19963	20508	19918
MINI H. SENG FUT SEP 23	-553	20031	20592	19981
HSCEI FUT MAR 23	-208	6730	6939	6711
HSCEI FUT APR 23	-210	6755	6956	6742
HSCEI FUT JUN 23	-209	6711	6911	6697
HSCEI FUT SEP 23	-208	6730	6939	6711
MINI HSCEI FUT MAR 23	-208	6730	6939	6712
MINI HSCEI FUT APR 23	-210	6755	6952	6738
MINI HSCEI FUT JUN 23	-209	6711	6908	6699
MINI HSCEI FUT SEP 23	-208	6730	6939	6712

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	84.75	-1.8	85.65	83.85
**Tencent Holdings Ltd	349.6	-7.4	351.6	345
*HSBC Holdings PLC	57.95	-0.45	58.05	57.5
**China Construction Bank Corp	5.01	-0.09	5.06	4.97
**Ping An Insurance Group	53.25	-2.25	54.45	53
**Meituan	131.9	-6	136.3	130.3
*Hong Kong Exchanges & Clearing Ltd	327.8	-5.91	331	325
**Alibaba Group Holdings Ltd	85.75	-2.85	87.1	85.1
**Xiaomi Corp	12	-0.52	12.36	11.82
**ICBC	4.14	-0.02	4.17	4.11

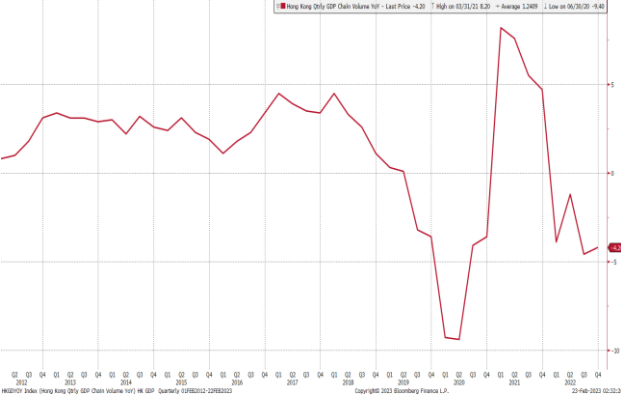
Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	53.3	-2.35	55.4	52.6
**China Mobile Ltd	62	-0.25	62.7	61.3
**Bank of China Ltd	2.98	-0.03	2.99	2.96
*Techtronic Industries Co Ltd	80	-2.7	81.3	79.6
*CK Hutchison Holdings Ltd	48.25	-0.9	49	48.15
*Link REIT	48.8	-1.2	49.55	48.25
*CLP Holding Ltd	57.75	-0.55	58.2	57.15
**Geely Automobile Holdings Ltd	10.24	-0.46	10.56	10.14
**CNOOC Ltd	12.04	-0.34	12.26	12.04
**ANTA Sports Products Ltd	105.6	-2.4	106.8	104.2

Global Equity Indices	Close	Change	High	Low
Hang Seng	20051.25	-483.23	20269.9	19969.47
HSCEI	6727.18	-185.1	6813.54	6696.52
Shanghai Comp Index	3283.25	-1.851	3283.25	3263.693
Nikkei 225	28444.2	135.03	28469.4	28232.68
KOSPI	2431.91	-31.44	2442.61	2426.52
S&P/ASX200	7307.77	-56.886	7364.7	7288.7
DJIA	32798.4	-58.06	32903.4	32612.7
S&P 500	3992.01	5.64	4000.41	3969.76
NASDAQ	11576	45.67	11601.2	11487.75
DAX	15631.9	72.34	15667.2	15524.85
CAC	7324.76	-0.2	7346.62	7305.92
FTSE100	7929.92	10.44	7946.62	7891.42

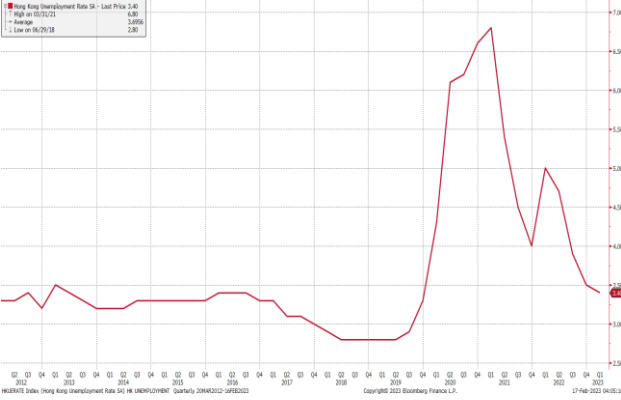
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
03/13/2023 13:00	Bloomberg March Hong Kong Economic Survey					
03/14/2023 16:30	PPI YoY	4Q	--	--	0.40%	--
03/14/2023 16:30	Industrial Production YoY	4Q	--	--	-0.60%	--
03/16/2023 16:30	Unemployment Rate SA	Feb	--	--	3.40%	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
03/09/2023 09:30	CPI YoY	Feb	1.90%	--	2.10%	--
03/09/2023 09:30	PPI YoY	Feb	-1.30%	--	-0.80%	--
03/09/2023 03/15	Aggregate Financing CNY	Feb	2300.0b	--	5980.0b	5984.0b
03/09/2023 03/15	Money Supply M2 YoY	Feb	12.50%	--	12.60%	--
03/09/2023 03/15	Money Supply M0 YoY	Feb	--	--	7.90%	--
03/09/2023 03/15	New Yuan Loans CNY	Feb	1500.0b	--	4900.0b	--
03/09/2023 03/15	Money Supply M1 YoY	Feb	6.00%	--	6.70%	--
03/11/2023 03/18	FDI YTD YoY CNY	Feb	--	--	14.50%	--

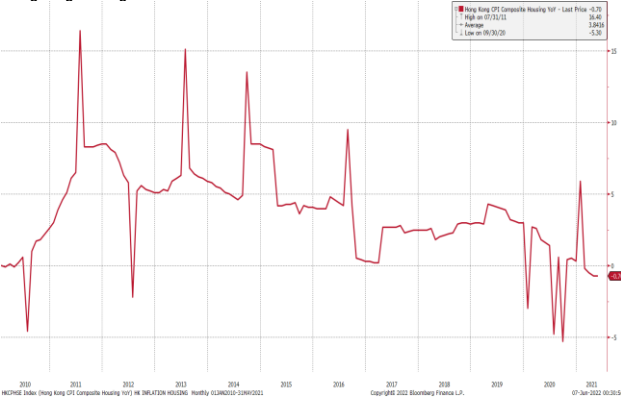
### Hong Kong GDP Q on Q



### Hong Kong Unemployment Rate



### Hong Kong Housing Inflation



(Source: Bloomberg)

Kenanga Futures Sdn Bhd (353603-X)

Dealing Desk: (603) 2172 3820 Fax: (603) 2172 2729 Email: futures@kenanga.com.my

Disclaimer: This document has been prepared for general circulation based on information obtained from sources believed to be reliable but we do not make any representations as to its accuracy or completeness.

Any recommendation contained in this document does not have regard to the specific investment objectives, financial background and the particular needs of any person who may read this document.

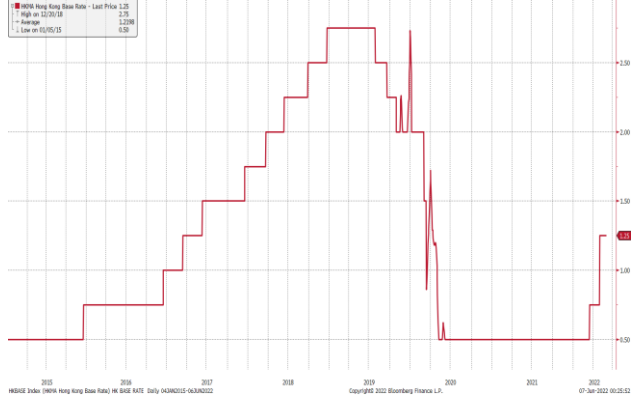
This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement and assessment by addressees in relation to any investment decision.

Kenanga Futures Sdn Bhd accepts no liability whatsoever for any direct or consequential loss arising from any use of this document or any solicitations of an offer to buy or sell any securities/underlying securities.

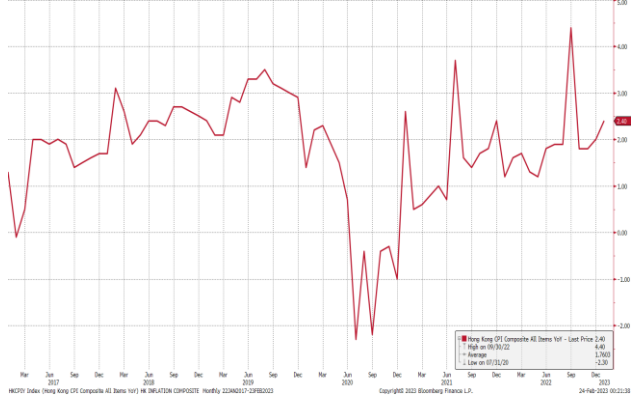
Kenanga Futures Sdn Bhd and its associates, their directors, and/or employees may have positions in, and may effect transactions in securities/underlying securities mentioned herein from time to time in the open market or otherwise,

and may receive brokerage fees or act as principal or agent in dealings with respect to these companies.

### Hong Kong Base Interest Rate



### Hong Kong Composite Inflation



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

