

Fundamentals:

Hong Kong stocks advanced after an official report showed inflation in mainland China cooled more than expected last month, fuelling bets the government will step up stimulus measures to strengthen the economy while exports waned. Gains eroded as Baidu and AI-related stocks slumped.

The Hang Seng Index added 0.8 per cent to 20,485.24 at the closing of Tuesday trading, the most since March 29. The Tech Index erased losses to log a 0.3 per cent gain, while the Shanghai Composite Index declined 0.1 per cent.

Alibaba Group rose 1.6 per cent to HK\$99.30 and HSBC advanced 1.1 per cent to HK\$54.80 while WuXi Biologics surged 5.6 per cent to HK\$50. Developer Longfor Group rallied 7.5 per cent to HK\$23 and peer Country Garden surged 14.1 per cent to HK\$2.34.

An official report showed consumer prices in mainland China rose in March by the smallest in 18 months, fuelling stimulus bets. Inflation slowed to 0.7 per cent from a year earlier, versus 1 per cent in February, the statistics bureau said. Economists tracked by Bloomberg had forecast a 1 per cent gain.

Separately, producer prices fell 2.5 per cent following a 1.4 per cent drop in February, the statistics bureau added, deepening a deflationary trend over six months.

Stocks resumed trading after a public holiday on Monday, with hedge funds having switched their money out of onshore stocks over the past two months to buy Chinese stocks listed in Hong Kong and New York, according to a Goldman Sachs report.

The Hang Seng Index earlier rose by as much as 2.1 per cent before the rally faded amid losses in AI-related stocks. Baidu crashed 5.2 per cent to HK\$135.50 and SenseTime tumbled 1.2 per cent to HK\$3.29 amid concerns about the ill-effects of a large-language model.

The state-run Economic Daily called for regulatory scrutiny as some stocks surged without any progress in AI technology. The Cybersecurity Administration of China drafted new rules to ensure data and state security.

Meanwhile, China's top chip maker SMIC and Hua Hong Semiconductor dropped 5.3 per cent and 2.9 per cent, respectively. They weakened after TSMC, the world's biggest contract chip manufacturer, reported a plunge in sales.

Heightened cross-strait tensions also stoked risk aversion as the Hang Seng Index dropped 0.3 per cent last week, ending a three-week winning streak. Mainland Chinese investors bought US\$1.2 billion worth of Hong Kong stocks last week, taking the net purchases in 2023 to US\$11 billion, according to Stock Connect data.

Elsewhere, key Asian markets advanced. The S&P/ASX 200 in Australia jumped 1.3 per cent, while the Nikkei 225 in Japan added 1.1 per cent and the Kospi in South Korea both gained 1.4 per cent.

(Source: South China Morning Post)

Contracts	Chg	Sett	High	Low
H. SENG FUT APR 23	238	20550	20811	20331
H. SENG FUT MAY 23	240	20520	20736	20310
H. SENG FUT JUN 23	243	20470	20700	20264
H. SENG FUT SEP 23	238	20550	20811	20331
MINI H. SENG FUT APR 23	238	20550	20811	20331
MINI H. SENG FUT MAY 23	240	20520	20777	20313
MINI H. SENG FUT JUN 23	243	20470	20720	20268
MINI H. SENG FUT SEP 23	238	20550	20811	20331
HSCEI FUT APR 23	77	6973	7064	6888
HSCEI FUT MAY 23	83	6994	6989	6913
HSCEI FUT JUN 23	84	6968	6980	6885
HSCEI FUT SEP 23	77	6973	7064	6888
MINI HSCEI FUT APR 23	77	6973	7064	6886
MINI HSCEI FUT MAY 23	83	6994	7082	6916
MINI HSCEI FUT JUN 23	84	6968	7050	6890
MINI HSCEI FUT SEP 23	77	6973	7064	6886

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	84.5	0.8	85.3	83.35
**Tencent Holdings Ltd	376.6	-8.8	390	371.4
*HSBC Holdings PLC	54.8	0.6	55.5	54.5
**China Construction Bank Corp	5.19	0.04	5.21	5.16
**Ping An Insurance Group	52.1	1.1	52.85	51.25
**Meituan	135.4	1.6	137.2	132.7
*Hong Kong Exchanges & Clearing Ltd	348.6	0	354.4	346.2
**Alibaba Group Holdings Ltd	99.3	1.55	101.5	98.1
**Xiaomi Corp	12.28	0.2	12.34	12.02
**ICBC	4.19	0.04	4.22	4.14

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	50	2.65	50.7	48.65
**China Mobile Ltd	65.2	-0.75	66.4	64.25
**Bank of China Ltd	3.07	0.04	3.07	3.04
*Techtronic Industries Co Ltd	84.2	1	85.25	83.35
*CK Hutchison Holdings Ltd	50.3	0.35	50.6	49.75
*Link REIT	51.05	0.15	51.7	50.85
*CLP Holding Ltd	57.55	0.5	57.95	57.05
**Geely Automobile Holdings Ltd	9.97	0.22	10.18	9.87
**CNOOC Ltd	12.26	0.06	12.46	12.2
**ANTA Sports Products Ltd	112.9	2.4	114.6	110.7

Global Equity Indices	Close	Change	High	Low
Hang Seng	20485.24	154.04	20750.7	20293.37
HSCEI	6950.37	56.32	7046.38	6873.32
Shanghai Comp Index	3313.57	-1.787	3317.45	3298.25
Nikkei 225	27923.4	289.71	28068.4	27854.82
KOSPI	2547.86	35.78	2550.97	2514.42
S&P/ASX200	7309.89	90.913	7322.4	7219
DJIA	33684.8	98.27	33781.3	33586.75
S&P 500	4108.94	-0.17	4124.26	4102.61
NASDAQ	12031.9	-52.48	12091.3	12011.4
DAX	15655.2	57.28	15726	15625.79
CAC	7390.28	0.89	7403.67	7370.09
FTSE100	7785.72	44.16	7806.39	7741.56

Mini Hang Seng Futures Daily Chart



Mini Hang Seng China Enterprise Futures Daily Chart



Technical Analysis

Mini Hang Seng

1st Resistance:	20858	2nd Resistance:	21167
1st Support:	20242	2nd Support:	19934
MACD:	72.131		
MACD DIFF:	94.7033		
RSI:	57.1772		

Mini Hang Seng China Enterprise

1st Resistance:	7078	2nd Resistance:	7182
1st Support:	6868	2nd Support:	6764
MACD:	33.982		
MACD DIFF:	28.983		
RSI:	56.5765		

Strategy:

Mini Hang Seng:	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:
	20242	20444	20141	19934	20133	19834

	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
	20858	20650	20963	21167	20955	21272

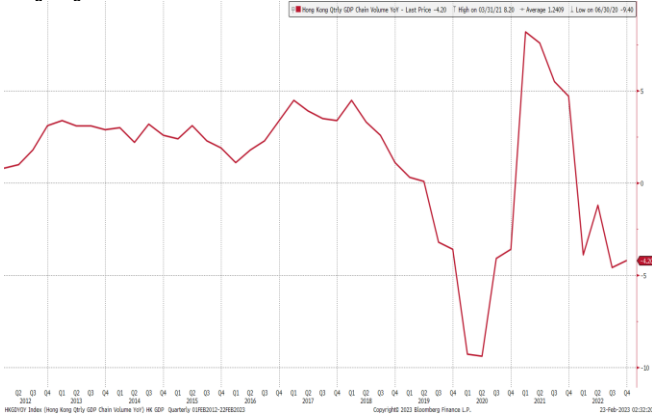
Mini Hang Seng China Enterprise:	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:
	6868	6937	6834	6764	6831	6730

	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
	7078	7007	7113	7182	7110	7218

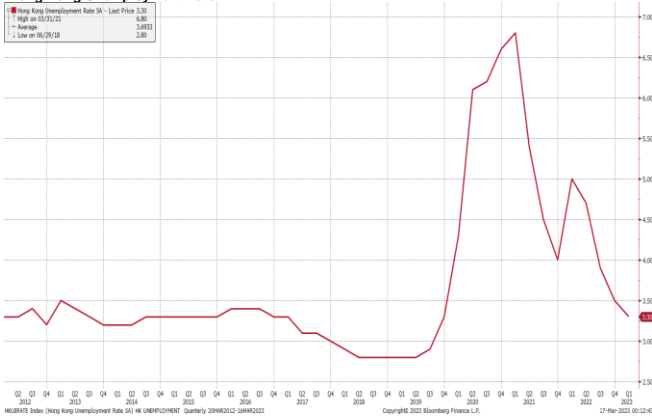
Hong Kong Economic Releases	Period	Survey	Actual	Prior	Revised	
04/11/2023 16:30	Foreign Reserves	Mar	--	\$430.7b	\$429.1b	--

China Economic Releases	Period	Survey	Actual	Prior	Revised	
04/11/2023 09:30	CPI YoY	Mar	1.00%	0.70%	1.00%	--
04/11/2023 09:30	PPI YoY	Mar	-2.50%	-2.50%	-1.40%	--
04/11/2023 16:30	Aggregate Financing CNY	Mar	4500.0b	5380.0b	3160.0b	3156.0b
04/11/2023 16:30	Money Supply M2 YoY	Mar	12.70%	12.70%	12.90%	--
04/11/2023 16:30	Money Supply M0 YoY	Mar	--	11.00%	10.60%	--
04/11/2023 16:30	New Yuan Loans CNY	Mar	3300.0b	3890.0b	1810.0b	1812.1b
04/11/2023 16:30	Money Supply M1 YoY	Mar	6.00%	5.10%	5.80%	--
04/11/2023 04/18	FDI YTD YoY CNY	Mar	--	--	6.10%	--

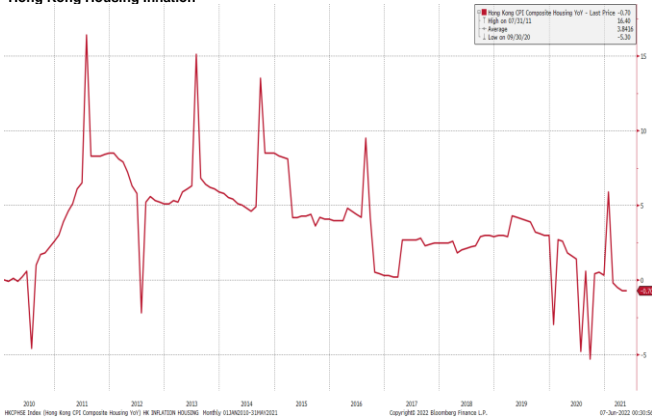
Hong Kong GDP Q on Q



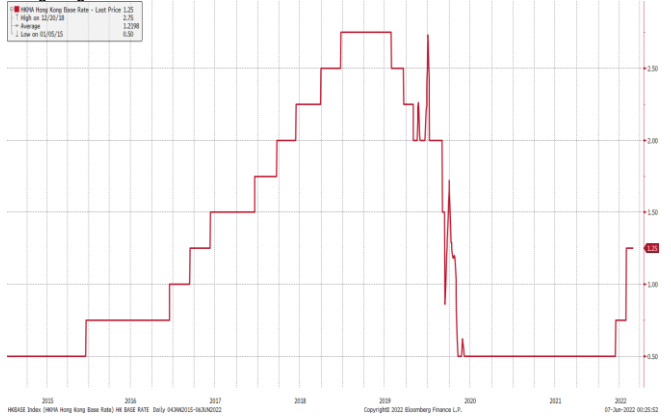
Hong Kong Unemployment Rate



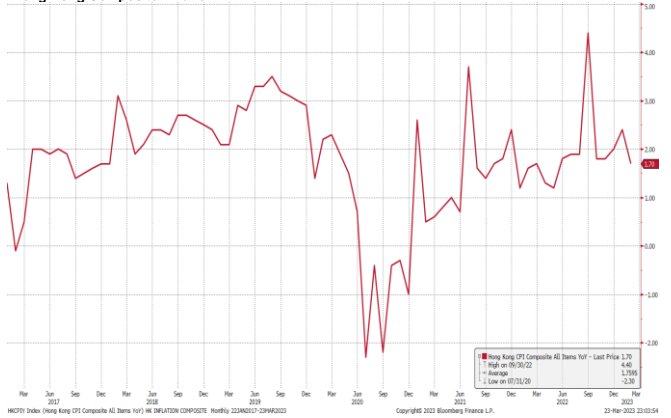
Hong Kong Housing Inflation



Hong Kong Base Interest Rate



Hong Kong Composite Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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