

Fundamentals:

Hong Kong stocks fell to the lowest level in four weeks, led by tech leaders including Alibaba Group Holding, as some investors cautioned valuations may have risen well ahead of earnings and economic recovery in mainland China.

The Hang Seng Index slumped 1.7 per cent to 19,617.88 at the close of trading on Tuesday, a level not seen since March 28. The Tech Index sank 3.5 per cent, while the Shanghai Composite Index retreated 0.3 per cent.

Alibaba tumbled 3.2 per cent to HK\$84.10 while Tencent Holdings slipped 1.9 per cent to HK\$338.40. HSBC dropped 0.8 per cent to HK\$55.50 ahead of its first-quarter earnings report next week. Developer Longfor Group lost 2.5 per cent to HK\$21.55 while peer Country Garden fell 1.9 per cent to HK\$2.02.

Gains of 0.5 per cent to 2.1 per cent in China Life Insurance, PetroChina and CNOOC tempered losses.

The Hang Seng Index has weakened 3.8 per cent in a poor start to the quarter, while the broader MSCI China Index slipped about 4.7 per cent, despite a stronger-than-expected economic data. Concerns about weak earnings and US tech curbs have fanned risk aversion, before the local markets pause for a holiday next week.

Analysts trimmed the 12-month forward earnings of companies in the Hang Seng China Enterprises Index by 9.5 per cent last week, according to Bank of America, on top of a 10 per cent cut in the preceding week. So far, onshore companies that missed 2022 earnings targets have outnumbered those that exceeded by almost three to one, it added.

Elsewhere, smartphone maker Xiaomi fell 3.9 per cent to HK\$10.94, after a high court in India rejected its bid to recover US\$676 million of assets seized by the government. NetEase weakened 3.7 per cent to HK\$138.50 after the 21st Century Business Herald said the game developer was suing Blizzard Entertainment for 300 million yuan (US\$44 million) following a break-up in their collaboration earlier this year.

One company began trading today. Rongcheer Industrial Technology slumped 21 per cent to 56.87 yuan in Shenzhen.

Asian markets were mixed. The Nikkei 225 in Japan added 0.1 per cent while the Kospi in South Korea dropped 1.4 per cent and the S&P/ASX 200 in Australia fell 0.1 per cent.

(Source: South China Morning Post)

Mini Hang Seng Futures Daily Chart



Mini Hang Seng China Enterprise Futures Daily Chart



Contracts	Chg	Sett	High	Low
H. SENG FUT APR 23	-348	19576	19971	19537
H. SENG FUT MAY 23	-355	19541	19940	19497
H. SENG FUT JUN 23	-366	19476	19862	19441
H. SENG FUT SEP 23	-348	19576	19971	19537
MINI H. SENG FUT APR 23	-348	19576	19973	19536
MINI H. SENG FUT MAY 23	-355	19541	19938	19496
MINI H. SENG FUT JUN 23	-366	19476	19869	19436
MINI H. SENG FUT SEP 23	-348	19576	19973	19536
HSCEI FUT APR 23	-123	6599	6735	6567
HSCEI FUT MAY 23	-130	6611	6751	6578
HSCEI FUT JUN 23	-133	6579	6711	6548
HSCEI FUT SEP 23	-123	6599	6735	6567
MINI HSCEI FUT APR 23	-123	6599	6734	6566
MINI HSCEI FUT MAY 23	-130	6611	6749	6578
MINI HSCEI FUT JUN 23	-133	6579	6713	6550
MINI HSCEI FUT SEP 23	-123	6599	6734	6566

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	82.75	0.3	83.4	82.15
**Tencent Holdings Ltd	338.4	-6.6	341.6	333
*HSBC Holdings PLC	55.5	-0.45	56	55.1
**China Construction Bank Corp	5.24	0.01	5.27	5.21
**Ping An Insurance Group	51.45	-1.2	52.5	51.25
**Meituan	131.6	-6	136.8	129.5
*Hong Kong Exchanges & Clearing Ltd	325	-5	330.6	322.4
**Alibaba Group Holdings Ltd	84.1	-2.8	85.95	83.3
**Xiaomi Corp	10.94	-0.44	11.34	10.8
**ICBC	4.21	-0.01	4.24	4.19

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	46.3	-3.55	50.1	45.85
**China Mobile Ltd	67.9	0.6	68.35	67.05
**Bank of China Ltd	3.14	0.02	3.15	3.11
*Techtronic Industries Co Ltd	79.7	-2.35	82.25	78.7
*CK Hutchison Holdings Ltd	50.9	-0.1	51.6	50.65
*Link REIT	50	-0.4	50.4	49.4
*CLP Holding Ltd	57.55	-0.45	58.3	57.2
**Geely Automobile Holdings Ltd	9.57	-0.07	9.66	9.32
**CNOOC Ltd	12.42	0.06	12.64	12.4
**ANTA Sports Products Ltd	96	-2.55	98.8	95.15

Global Equity Indices	Close	Change	High	Low
Hang Seng	19617.88	-342.06	19910.3	19527.63
HSCEI	6601.36	-131.78	6709.67	6562.66
Shanghai Comp Index	3264.87	-10.541	3288.57	3229.446
Nikkei 225	28620.1	26.55	28806.7	28609.77
KOSPI	2489.02	-34.48	2531.35	2472.33
S&P/ASX200	0	0	0	0
DJIA	33530.8	-344.57	33875.5	33525.39
S&P 500	4071.63	-65.41	4126.43	4071.38
NASDAQ	11799.2	-238.04	11990.5	11798.77
DAX	15872.1	8.18	15891.7	15794.81
CAC	7531.61	-0.56	7541.72	7504.26
FTSE100	7891.13	-21.07	7912.52	7863.85

Technical Analysis

Mini Hang Seng

1st Resistance:	19870	2nd Resistance:	20163
1st Support:	19282	2nd Support:	18989
MACD:	-28.590		
MACD DIFF:	-77.745		
RSI:	38.2815		

Mini Hang Seng China Enterprise

1st Resistance:	6698	2nd Resistance:	6797
1st Support:	6500	2nd Support:	6401
MACD:	-16.109		
MACD DIFF:	-32.510		
RSI:	38.3708		

Strategy:

Mini Hang Seng:

Long: Profit target:	19282	19475	19186	Long: Profit target:	18989	19179	18894
Stop-loss:				Stop-loss:			
Short: Profit target:	19870	19671	19969	Short: Profit target:	20163	19962	20264
Stop-loss:				Stop-loss:			

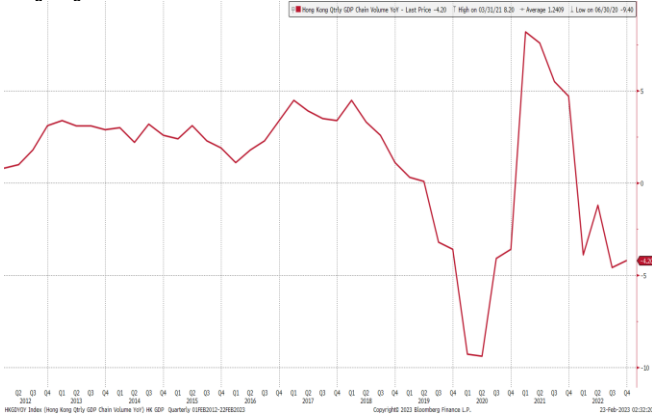
Mini Hang Seng China Enterprise:

Long: Profit target:	6500	6565	6468	Long: Profit target:	6401	6465	6369
Stop-loss:				Stop-loss:			
Short: Profit target:	6698	6631	6731	Short: Profit target:	6797	6729	6831
Stop-loss:				Stop-loss:			

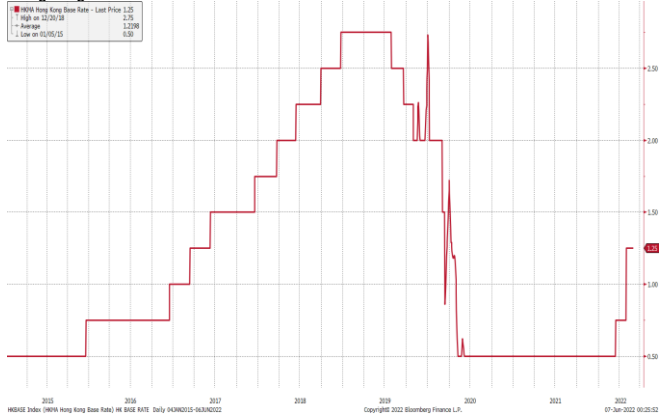
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
04/25/2023 16:30	Exports YoY	Mar	0.10%	-1.50%	-8.80%	--
04/25/2023 16:30	Imports YoY	Mar	2.50%	-0.60%	-4.10%	--
04/25/2023 16:30	Trade Balance HKD	Mar	-46.2b	-40.6b	-45.4b	--
04/28/2023 16:30	Budget Balance HKD	Mar	--	--	15.6b	--
04/28/2023	Money Supply M3 HKD YoY	Mar	--	--	0.10%	--
04/28/2023	Money Supply M1 HKD YoY	Mar	--	--	-20.20%	--
04/28/2023	Money Supply M2 HKD YoY	Mar	--	--	0.10%	--
05/02/2023 16:30	GDP YoY	1Q A	--	--	-4.20%	--
05/02/2023 16:30	GDP SA QoQ	1Q A	--	--	0.00%	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
04/26/2023 10:00	Bloomberg April China Economic Survey	Mar	--	--	-22.90%	--
04/27/2023 09:30	Industrial Profits YTD YoY	Apr	--	--	57	--
04/30/2023 09:30	Composite PMI	Apr	51.5	--	51.9	--
04/30/2023 09:30	Manufacturing PMI	Apr	56	--	58.2	--

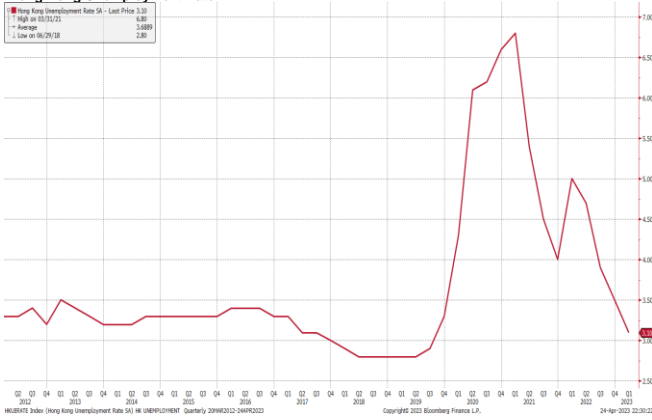
Hong Kong GDP Q on Q



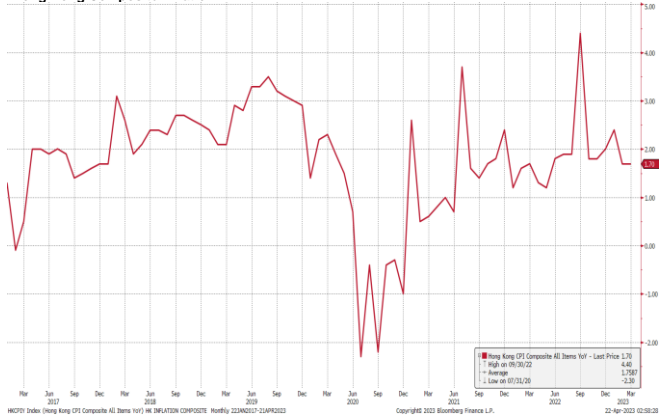
Hong Kong Base Interest Rate



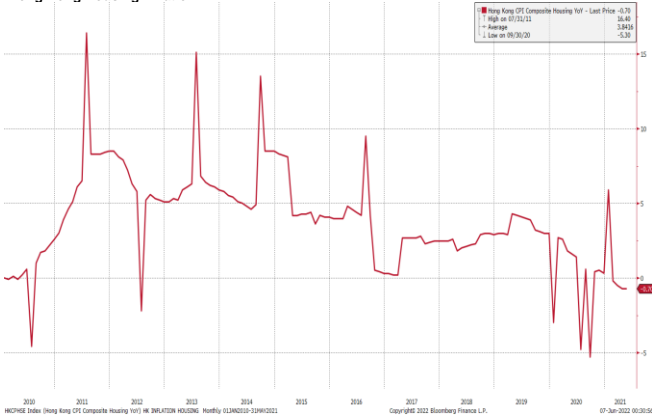
Hong Kong Unemployment Rate



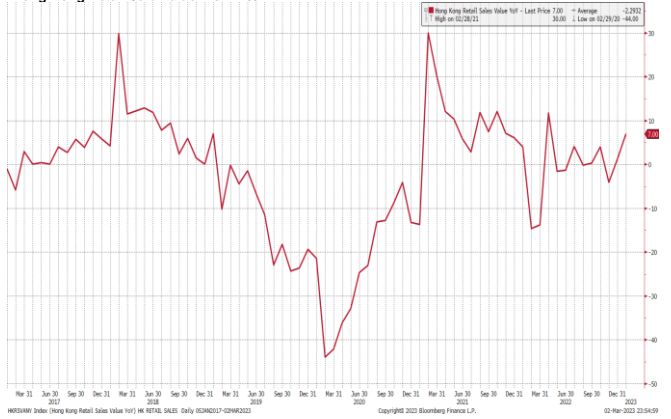
Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sales Value Y on Y %



(Source: Bloomberg)

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