

Fundamentals:

Hong Kong stocks traded close to a four-week high before the long weekend as traders weighed Chinese economic data against the risk of rising political tension between Beijing and Washington after a meeting between the US House speaker and Taiwan's president.

The Hang Seng Index rose 0.3 per cent to 20,331.20 at the close, erasing a drop of as much as 0.9 per cent. The benchmark gauge lost 0.3 per cent in the holiday-shortened week. The Hang Seng Tech Index added 0.1 per cent and the Shanghai Composite Index lost was little changed. Both markets were closed on Wednesday.

Trading interest was muted before the Easter break, when the city's markets will be closed on Friday and Monday. The turnover was almost 30 per cent below its 30-day average, according to Bloomberg data.

The economic data suggests that China's economy continues to return to the pre-pandemic level, particularly the services industry. That will provide a friendly environment for equities and further drive up valuations.

The Hang Seng Index seems to have regained momentum, rising 3.1 per cent in March after key economic data showed economic recovery has been gathering pace. The reappearance of Alibaba's founder Jack Ma has also raised optimism that Beijing will pivot to a more pro-business stance on the private sector.

A private purchasing managers' index of China's services industry compiled by Caixin rose to 57.8, its highest level since November 2020, staying above the expansionary zone of 50 for the third consecutive month. That was in line with an official PMI report released last week by the statistics bureau, which confirmed a solid pickup in the services sector.

The optimism was tempered by a flare-up in US-China tensions. Kevin McCarthy, the No 3 official in the US, met Taiwanese President Tsai Ing-wen in California on Wednesday, eight months after his predecessor Nancy Pelosi visited the island, which is seen as a renegade province by Beijing. The Chinese army conducted a joint cruise and patrol operation in the Taiwan Strait, similar to what happened after Pelosi visited Taiwan in August.

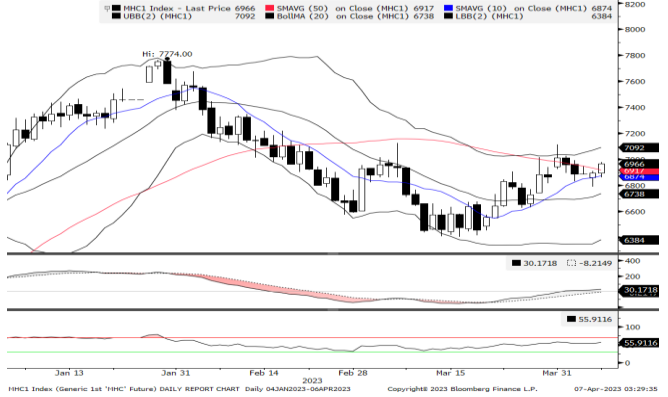
Traders are also waiting for a crucial US employment report on Friday that will offer clues on how the world's biggest economy has managed to get through the financial tightening and turmoil in the banking sector.

(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: 20617 2nd Resistance: 20921
 1st Support: 20007 2nd Support: 19703
 MACD: 24.078
 MACD DIFF: 119.972
 RSI: 53.2821

Mini Hang Seng China Enterprise

1st Resistance: 6999 2nd Resistance: 7103
 1st Support: 6793 2nd Support: 6689
 MACD: 21.555
 MACD DIFF: 39.489
 RSI: 53.2813

Contracts	Chg	Sett	High	Low
H. SENG FUT APR 23	10	20312	20393	20066
H. SENG FUT MAY 23	5	20280	20360	20067
H. SENG FUT JUN 23	6	20227	20280	19987
H. SENG FUT SEP 23	10	20312	20393	20066
MINI H. SENG FUT APR 23	10	20312	20392	20068
MINI H. SENG FUT MAY 23	5	20280	20360	20050
MINI H. SENG FUT JUN 23	6	20227	20300	19999
MINI H. SENG FUT SEP 23	10	20312	20392	20068
HSCEI FUT APR 23	9	6896	6912	6791
HSCEI FUT MAY 23	5	6911	6924	6873
HSCEI FUT JUN 23	6	6884	6898	6844
HSCEI FUT SEP 23	9	6896	6912	6791
MINI HSCEI FUT APR 23	9	6896	6911	6791
MINI HSCEI FUT MAY 23	5	6911	6928	6822
MINI HSCEI FUT JUN 23	6	6884	6897	6795
MINI HSCEI FUT SEP 23	9	6896	6911	6791

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	83.7	0.2	84.8	83.3
**Tencent Holdings Ltd	385.4	0.4	387.6	380.6
*HSBC Holdings PLC	54.2	-0.45	54.35	53.55
**China Construction Bank Corp	5.15	0.05	5.16	5.1
**Ping An Insurance Group	51	0.3	51.1	50.2
**Meituan	133.8	-0.1	133.9	129.2
*Hong Kong Exchanges & Clearing Ltd	348.6	5.6	352	340
*Alibaba Group Holdings Ltd	97.75	2.1	98	95.9
**Xiaomi Corp	12.08	0.1	12.16	11.78
**ICBC	4.15	0	4.17	4.12

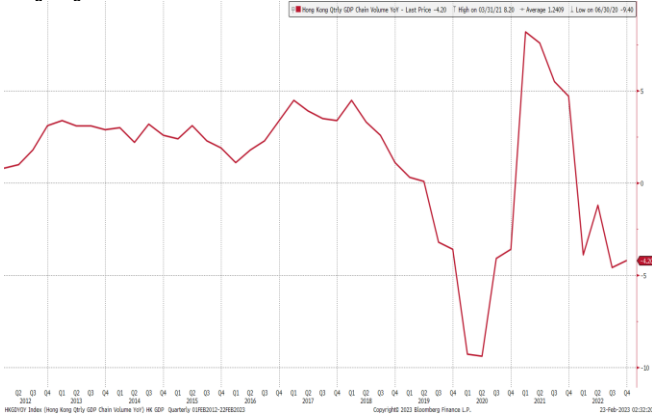
Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	47.35	0.85	48.2	45.15
**China Mobile Ltd	65.95	0.3	66.2	65
**Bank of China Ltd	3.03	0	3.05	3.03
*Techtronic Industries Co Ltd	83.2	-2.7	85.15	82.3
*CK Hutchison Holdings Ltd	49.95	0.3	50.3	49.15
*Link REIT	50.9	0.25	51.35	50.5
*CLP Holding Ltd	57.05	0	57.75	56.6
**Geely Automobile Holdings Ltd	9.75	0.01	9.76	9.5
**CNOOC Ltd	12.2	-0.1	12.3	12.14
**ANTA Sports Products Ltd	110.5	1	110.6	107.2

Global Equity Indices	Close	Change	High	Low
Hang Seng	20331.20	56.61	20343.9	20099.48
HSCEI	6894.05	18.58	6897.25	6795.52
Shanghai Comp Index	3312.63	0.07	3314.53	3296.055
Nikkei 225	27472.6	-340.63	27609.9	27427.66
KOSPI	2459.23	-35.98	2488	2458.5
S&P/ASX200	7218.98	-18.225	7245.3	7199.7
DJIA	33459.3	-23.41	33526	33325.37
S&P 500	4098.72	8.34	4107.32	4069.84
NASDAQ	12093.6	96.69	12098.5	11898.36
DAX	15597.9	77.72	15601.5	15509.09
CAC	7324.75	0.12	7344.34	7312.61
FTSE100	7741.56	78.62	7742.11	7654.54

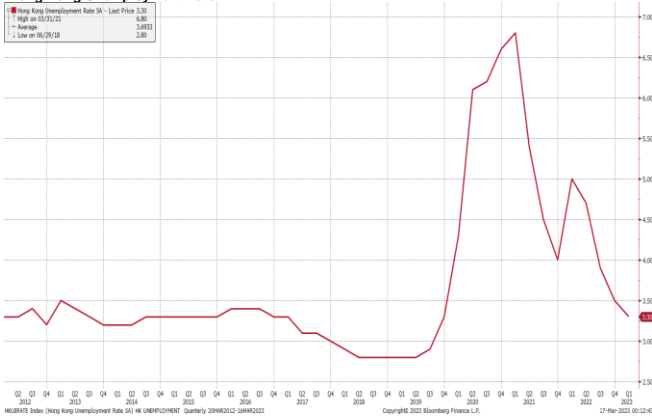
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
03/31/2023 16:30	Budget Balance HKD	Feb	--	15.6b	61.0b	--
04/06/2023 08:30	S&P Global Hong Kong PMI	Mar	--	--	53.9	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
04/06/2023 09:45	Caixin China PMI Composite	Mar	--	54.5	54.2	--
04/06/2023 09:45	Caixin China PMI Services	Mar	55	57.8	55	--
04/07/2023	Foreign Reserves	Mar	\$3158.00b	--	\$3133.15b	--
04/09/2023 04/15	Money Supply M2 YoY	Mar	12.70%	--	12.90%	--
04/09/2023 04/15	Money Supply M0 YoY	Mar	--	--	10.60%	--
04/09/2023 04/15	New Yuan Loans CNY	Mar	3285.0b	--	1810.0b	--
04/09/2023 04/15	Money Supply M1 YoY	Mar	--	--	5.80%	--
04/10/2023 04/15	Aggregate Financing CNY	Mar	4750.0b	--	3160.0b	3156.0b
04/11/2023 09:30	CPI YoY	Mar	1.20%	--	1.00%	--
04/11/2023 09:30	PPI YoY	Mar	-2.40%	--	-1.40%	--
04/11/2023 04/18	FDI YTD YoY CNY	Mar	--	--	6.10%	--

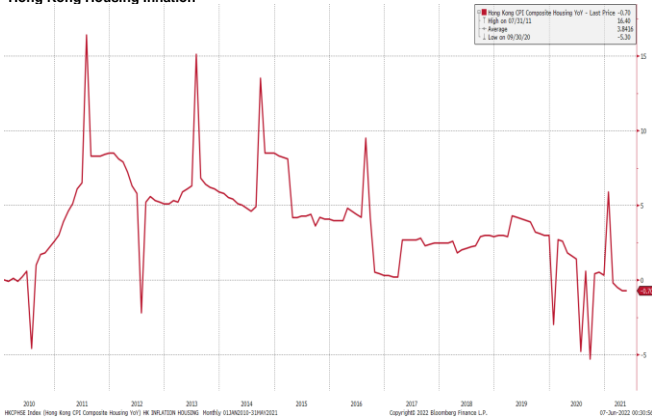
Hong Kong GDP Q on Q



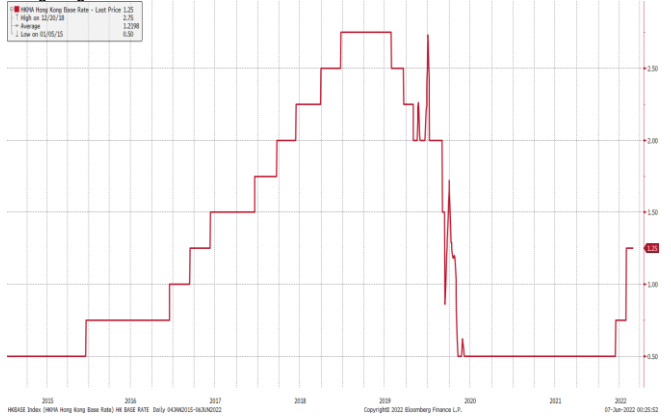
Hong Kong Unemployment Rate



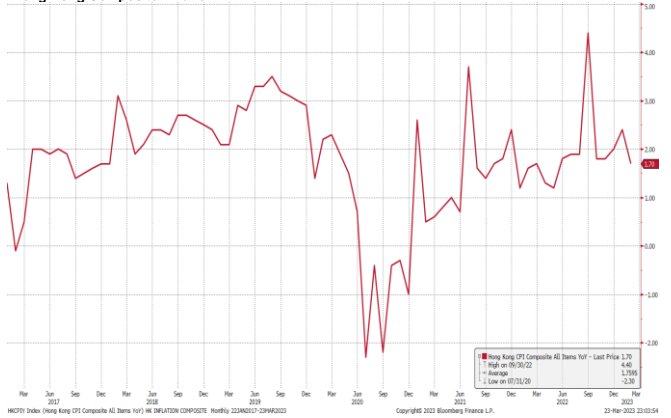
Hong Kong Housing Inflation



Hong Kong Base Interest Rate



Hong Kong Composite Inflation



Hong Kong Retail Sales Value Y on Y %



(Source: Bloomberg)

Kenanga Futures Sdn Bhd (353603-X)

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

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