

**Fundamentals:**

Hong Kong stocks retreated as investors waited on the sidelines ahead of US inflation data, with the US debt-ceiling impasse further souring sentiment. Longfor Group led the decline in property developers while a rally in state-owned firms lost traction.

The Hang Seng Index fell 0.5 per cent to 19,762.20 at the closing of Wednesday trading, following the 2.1 per cent pullback on Tuesday. The Tech Index added 0.3 per cent, while the Shanghai Composite tumbled 1.2 per cent. A gauge tracking US-listed Chinese stocks tumbled 2.3 per cent overnight in New York.

Property developers Longfor dropped 3.9 per cent to HK\$20.70 and Country Garden retreated 1 per cent to HK\$1.97, while China Resources Land tumbled 3.2 per cent to HK\$34.55. Alibaba Health and Meituan both slipped 1 per cent to HK\$5.13 and HK\$129.00, respectively.

Bank of China lost 3 per cent to HK\$3.27, while ICBC dropped 3 per cent to HK\$4.47, leading a retreat among state-linked stocks as a bull run started to lose traction. A gauge tracking state companies listed in Hong Kong slid 1 per cent.

The US consumer price data, due later on Wednesday, is expected to rise 5 per cent year on year in April, according to a consensus of analysts compiled by Bloomberg. The CME's FedWatch tool shows the market is now pricing in a 77.7 per cent chance of the Fed pausing on rates next month, compared with 84.5 per cent two days ago.

Investors are also watching the debt-ceiling discussions between US President Joe Biden and congressional leaders to see if the country will further lift the borrowing limit or default on its debt.

Elsewhere, two stocks debuted on Wednesday. Semiconductor Manufacturing EI jumped 10.7 per cent to 6.30 yuan in Shenzhen, while Zhejiang Wanfeng Chemical surged 31 per cent to 19.08 yuan in Shanghai.

Major Asian markets declined on Wednesday. The S&P/ASX 200 in Australia fell 0.1 per cent and the Kospi in South Korea declined 0.5 per cent. The Nikkei 225 in Japan retreated 0.4 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 MAY 23	-86	19699	19871	19626
H. SENG FUT JUN 23	-77	19642	19826	19566
H. SENG FUT SEP 23	-72	19535	19689	19470
H. SENG FUT DEC 23	-86	19699	19871	19626
MINI H. SENG FUT MAY 23	-86	19699	19874	19625
MINI H. SENG FUT JUN 23	-77	19642	19811	19565
MINI H. SENG FUT SEP 23	-72	19535	19678	19462
MINI H. SENG FUT DEC 23	-86	19699	19874	19625
HSCEI FUT MAY 23	-52	6687	6774	6664
HSCEI FUT JUN 23	-51	6658	6734	6637
HSCEI FUT SEP 23	-46	6595	6666	6589
HSCEI FUT DEC 23	-52	6687	6774	6664
MINI HSCEI FUT MAY 23	-52	6687	6773	6664
MINI HSCEI FUT JUN 23	-51	6658	6738	6635
MINI HSCEI FUT SEP 23	-46	6595	6673	6586
MINI HSCEI FUT DEC 23	-52	6687	6773	6664

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	81	0.1	81.1	80.15
**Tencent Holdings Ltd	329.6	1.2	331.4	325.4
*HSBC Holdings PLC	59.35	0.05	59.75	59.05
**China Construction Bank Corp	5.45	-0.12	5.61	5.41
**Ping An Insurance Group	57.7	-1.05	59	57.55
**Meituan	129	-1.3	130	126.6
*Hong Kong Exchanges & Clearing Ltd	312.8	-3.2	315.4	310.4
**Alibaba Group Holdings Ltd	80.2	0.75	80.7	78.8
**Xiaomi Corp	11.3	-0.02	11.4	11.16
**ICBC	4.47	-0.14	4.61	4.45

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	45.25	0.2	45.6	44.6
**China Mobile Ltd	67.65	-0.5	68.4	67.15
**Bank of China Ltd	3.27	-0.1	3.38	3.26
*Techtronic Industries Co Ltd	82.25	-1.3	83.9	81.15
*CK Hutchison Holdings Ltd	52.95	-0.2	53.25	52.6
*Link REIT	50.25	-0.4	50.9	50.2
*CLP Holding Ltd	60.35	-0.35	60.7	60.25
**Geely Automobile Holdings Ltd	9.83	0.19	10.04	9.57
**CNOOC Ltd	12.96	0.02	13.12	12.8
**ANTA Sports Products Ltd	89.9	-1.95	91.85	89.35

Global Equity Indices	Close	Change	High	Low
Hang Seng	19762.20	-105.38	19880	19696.59
HSCEI	6683.23	-51.9	6744.26	6659.16
Shanghai Comp Index	3319.15	-38.52	3349.72	3305.25
Nikkei 225	29122.2	-120.64	29195.2	29070.11
KOSPI	2496.51	-13.55	2510.13	2488.42
S&P/ASX200	7255.74	-8.345	7267.1	7236.2
DJIA	33531.3	-30.48	33772.1	33239.45
S&P 500	4137.64	18.47	4154.28	4098.92
NASDAQ	12306.4	126.89	12337.7	12180.86
DAX	15896.2	-59.25	15984.8	15848.69
CAC	7361.2	-0.49	7416.32	7337.66
FTSE100	7741.33	-22.76	7778.98	7727.12

**Technical Analysis**

**Mini Hang Seng**

1st Resistance:	19994	2nd Resistance:	20290
1st Support:	19404	2nd Support:	19108
MACD:	-93.567		
MACD DIFF:	-11.3114		
RSI:	43.7502		

**Mini Hang Seng China Enterprise**

1st Resistance:	6787	2nd Resistance:	6888
1st Support:	6587	2nd Support:	6486
MACD:	-26.128		
MACD DIFF:	3.056		
RSI:	45.7606		

**Strategy:**

Mini Hang Seng:		Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:
		19404	19598	19306	19108	19299	19012

Mini Hang Seng:		Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
		19994	19795	20094	20290	20087	20391

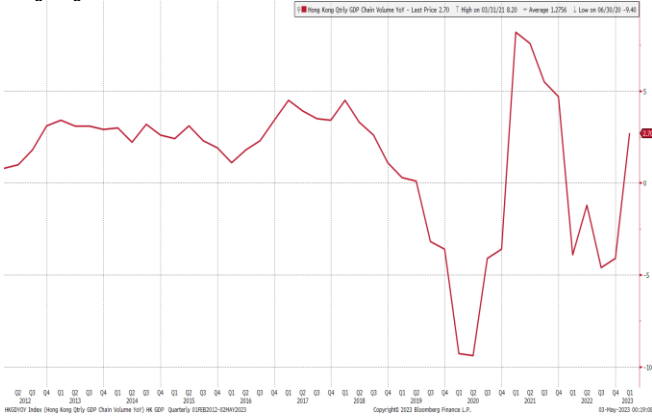
Mini Hang Seng China Enterprise:		Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:
		6587	6653	6554	6486	6551	6454

Mini Hang Seng China Enterprise:		Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
		6787	6719	6821	6888	6819	6922

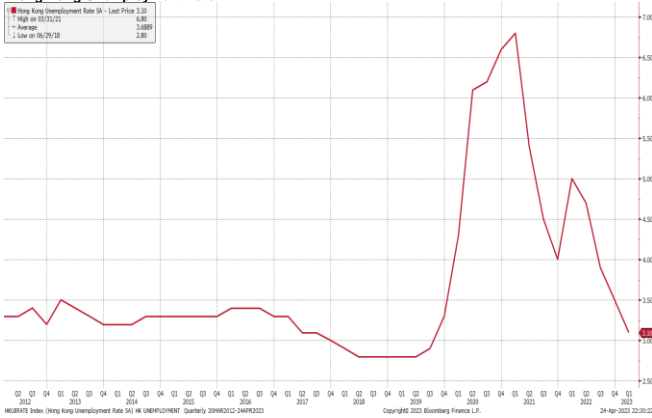
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
05/12/2023 16:30	GDP YoY	1Q F	--	--	2.70%	--
05/12/2023 16:30	GDP SA QoQ	1Q F	--	--	5.30%	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
05/10/2023 05:15	Aggregate Financing CNY	Apr	2000.0b	--	5380.0b	--
05/11/2023 05:18	FDI YTD YoY CNY	Apr	--	--	4.90%	--
05/10/2023 05:15	Money Supply M2 YoY	Apr	12.50%	--	12.70%	--
05/10/2023 05:15	Money Supply M0 YoY	Apr	--	--	11.00%	--
05/10/2023 05:15	New Yuan Loans CNY	Apr	1400.0b	--	3890.0b	--
05/10/2023 05:15	Money Supply M1 YoY	Apr	5.10%	--	5.10%	--
05/11/2023 09:30	CPI YoY	Apr	0.30%	--	0.70%	--
05/11/2023 09:30	PPI YoY	Apr	-3.30%	--	-2.50%	--

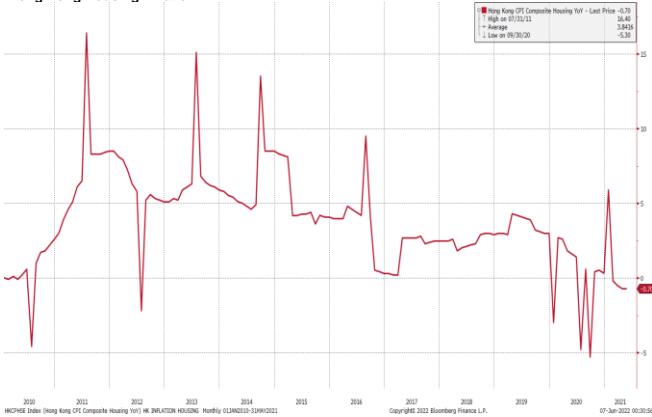
### Hong Kong GDP Q on Q



### Hong Kong Unemployment Rate



### Hong Kong Housing Inflation



(Source: Bloomberg)

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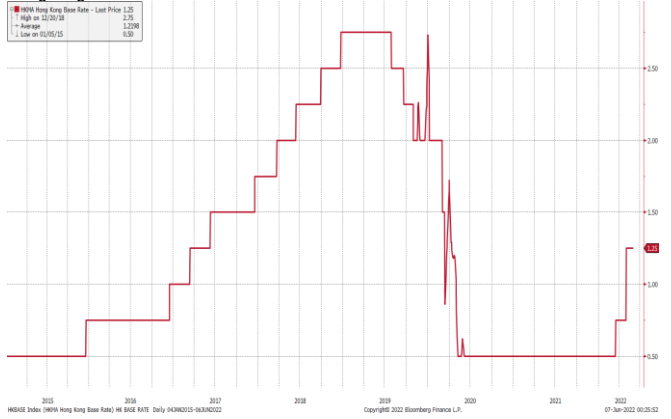
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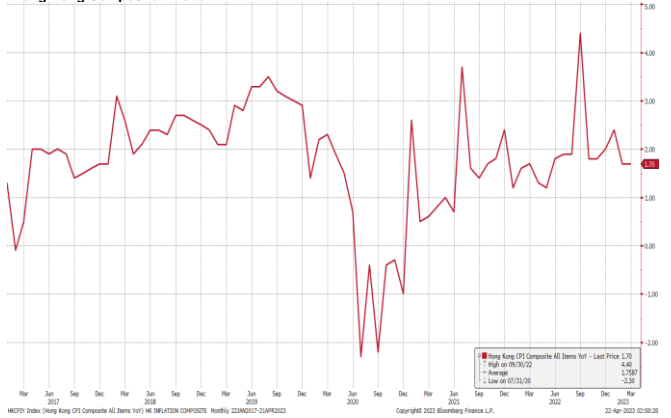
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### Hong Kong Base Interest Rate



### Hong Kong Composite Inflation



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

