

### Fundamentals:

Hong Kong stocks fell for a third day in a row after inflation in mainland China cooled more than expected last month, indicating the economic recovery remains sluggish. SMIC and Hua Hong Semiconductors rose before their results.

The Hang Seng Index lost 0.1 per cent to 19,743.79 at the close of trading on Thursday, erasing gains of as much as 0.5 per cent earlier. The Tech Index gained 1.3 per cent, while the Shanghai Composite Index dropped 0.3 per cent.

Tencent Holdings dropped 1 per cent to HK\$326.40 and Meituan declined 0.4 per cent to HK\$128.50. Developer Longfor Group slid 2.9 per cent to HK\$20.10 and Country Garden dropped 1.5 per cent to HK\$1.94. China's big three oil majors – PetroChina, Sinopec and CNOOC – dropped by 1.1 to 1.5 per cent.

Limiting losses, Alibaba Group Holding rose 3 per cent to HK\$82.65 and Baidu advanced 1 per cent to HK\$115.60. Li Auto surged 16 per cent to HK\$114.80, leading a rally in auto stocks after posting record quarterly profit.

Data from the National Bureau of Statistics on Thursday showed consumer prices in China rose by 0.1 per cent in April from a year earlier, the slowest in more than two years, in a sign that China's post-Covid recovery remains sluggish. While services prices jumped by 1 per cent year on year, the most in four months.

Separately, producer prices fell 3.6 per cent last month following a 2.5 per cent drop in March, the statistics bureau said, deepening a deflationary trend.

Meanwhile, inflation in the US also cooled, with the annual increase in consumer prices slowing to 4.9 per cent in April, bolstering hopes the Federal Reserve will start cutting rates this year to shore up the economy. The market has priced in the chances of a rate cut in September at nearly 80 per cent, according to CME's FedWatch tool.

Chinese chip giant Semiconductor Manufacturing International Corporation and peer Hua Hong Semiconductors gained 2.4 and 0.2 per cent, respectively, before both release their first-quarter report cards later today.

Two stocks debuted on Thursday. Yonyou Auto Information Technology tumbled 14 per cent to 29.19 yuan in Shanghai, while Plus Group Holdings crashed 24.6 per cent to HK\$7.99 in Hong Kong.

Major Asian markets were mixed. The S&P/ASX 200 in Australia and the Nikkei 225 in Japan were little changed, while the Kospi in South Korea lost 0.2 per cent.

(Source: South China Morning Post)

Contracts	Chg	Sett	High	Low
H. SENG FUT MAY 23	8	19707	19868	19520
H. SENG FUT JUN 23	10	19652	19801	19473
H. SENG FUT SEP 23	13	19548	19700	19369
H. SENG FUT DEC 23	8	19707	19868	19520
MINI H. SENG FUT MAY 23	8	19707	19866	19520
MINI H. SENG FUT JUN 23	10	19652	19803	19468
MINI H. SENG FUT SEP 23	13	19548	19674	19368
MINI H. SENG FUT DEC 23	8	19707	19866	19520
HSCEI FUT MAY 23	19	6706	6751	6626
HSCEI FUT JUN 23	19	6677	6713	6608
HSCEI FUT SEP 23	21	6616	6622	6540
HSCEI FUT DEC 23	19	6706	6751	6626
MINI HSCEI FUT MAY 23	19	6706	6751	6627
MINI HSCEI FUT JUN 23	19	6677	6712	6600
MINI HSCEI FUT SEP 23	21	6616	6628	6552
MINI HSCEI FUT DEC 23	19	6706	6751	6627

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	80.95	-0.05	82.15	80.8
**Tencent Holdings Ltd	326.4	-3.2	333.6	323.2
*HSBC Holdings PLC	58.95	0.38362	59.15	58.35
**China Construction Bank Corp	5.44	-0.01	5.51	5.38
**Ping An Insurance Group	57.65	-0.05	58.75	56.95
**Meituan	128.5	-0.5	129.9	126.2
*Hong Kong Exchanges & Clearing Ltd	312.4	-0.4	316.6	309.2
**Alibaba Group Holdings Ltd	82.65	2.45	82.75	80.8
**Xiaomi Corp	11.22	-0.08	11.52	11.04
**ICBC	4.42	-0.05	4.51	4.38

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	46.6	1.35	47.65	44.85
**China Mobile Ltd	67.1	-0.55	67.95	66.65
**Bank of China Ltd	3.27	0	3.33	3.25
*Techtronic Industries Co Ltd	80.3	-1.95	82.5	79.8
*CK Hutchison Holdings Ltd	53	0.05	53	52.25
*Link REIT	50	-0.25	50.6	49.65
*CLP Holding Ltd	61.5	1.15	61.6	60.2
**Geely Automobile Holdings Ltd	9.87	0.04	10.04	9.81
**CNOOC Ltd	12.82	-0.14	13	12.64
**ANTA Sports Products Ltd	89.8	-0.1	91.2	88

Global Equity Indices	Close	Change	High	Low
Hang Seng	19743.79	-18.41	19854.5	19567.62
HSCEI	6695.11	11.88	6738.59	6622.26
Shanghai Comp Index	3309.55	-9.6	3333.25	3307.289
Nikkei 225	29126.7	4.54	29165.6	29028.71
KOSPI	2491	-5.51	2513.82	2490.08
S&P/ASX200	7251.92	-3.818	7266.5	7230.8
DJIA	33309.5	-221.82	33389.9	33127.7
S&P 500	4130.62	-7.02	4132.8	4109.29
NASDAQ	12328.5	22.07	12347.4	12255.44
DAX	15834.9	-61.32	15970.5	15754.76
CAC	7381.78	0.28	7436.94	7333.92
FTSE100	7730.58	-10.75	7784.28	7679.61

### Mini Hang Seng Futures Daily Chart



### Mini Hang Seng China Enterprise Futures Daily Chart



### Technical Analysis

#### Mini Hang Seng

1st Resistance:	20003	2nd Resistance:	20298
1st Support:	19411	2nd Support:	19116
MACD:	-102.500		
MACD DIFF:	-16.1952		
RSI:	43.9335		

#### Mini Hang Seng China Enterprise

1st Resistance:	6807	2nd Resistance:	6907
1st Support:	6605	2nd Support:	6505
MACD:	-27.377		
MACD DIFF:	1.445		
RSI:	46.7495		

### Strategy:

Mini Hang Seng:	Long: Profit target:	Stop-loss:	Long: Profit target:	Stop-loss:
	19411	19606	19314	19116
			19307	19020

Mini Hang Seng:	Short: Profit target:	Stop-loss:	Short: Profit target:	Stop-loss:
	20003	19803	20103	20298
			20095	20400

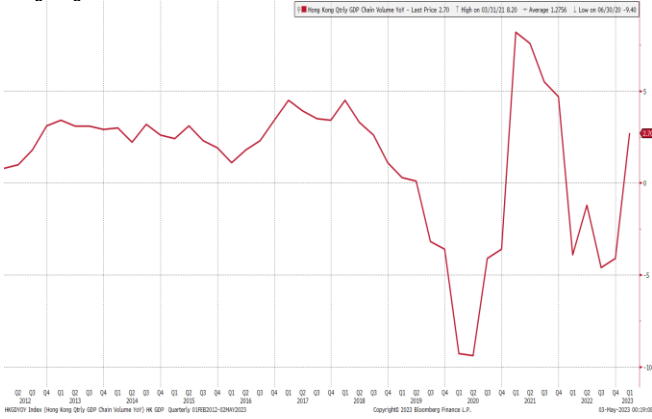
Mini Hang Seng China Enterprise:	Long: Profit target:	Stop-loss:	Long: Profit target:	Stop-loss:
	6605	6671	6572	6505
			6570	6472

Mini Hang Seng China Enterprise:	Short: Profit target:	Stop-loss:	Short: Profit target:	Stop-loss:
	6807	6739	6841	6907
			6838	6942

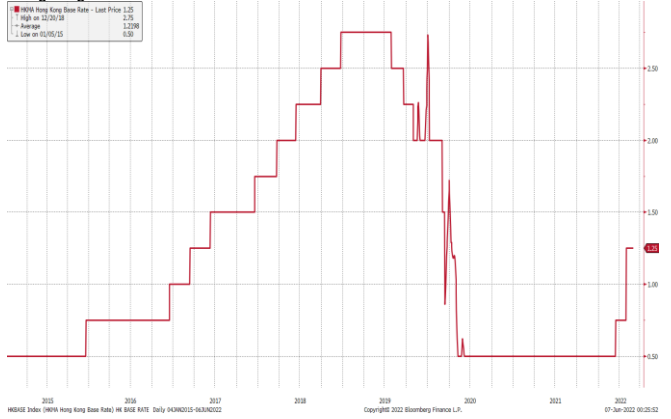
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
05/12/2023 16:30	GDP YoY	1Q F	2.70%	--	2.70%	--
05/12/2023 16:30	GDP SA QoQ	1Q F	5.30%	--	5.30%	--
05/18/2023 16:30	Unemployment Rate SA	Apr	--	--	3.10%	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
05/11/2023 09:30	CPI YoY	Apr	0.30%	0.10%	0.70%	--
05/11/2023 09:30	PPI YoY	Apr	-3.30%	-3.60%	-2.50%	--
05/11/2023 16:00	Aggregate Financing CNY	Apr	2000.0b	1220.0b	5380.0b	--
05/11/2023 16:00	Money Supply M2 YoY	Apr	12.50%	12.40%	12.70%	--
05/11/2023 16:00	Money Supply M0 YoY	Apr	--	10.70%	11.00%	--
05/11/2023 16:00	New Yuan Loans CNY	Apr	1400.0b	718.8b	3890.0b	--
05/11/2023 16:00	Money Supply M1 YoY	Apr	5.10%	5.30%	5.10%	--
05/11/2023 05/18	FDI YTD YoY CNY	Apr	--	--	4.90%	--
05/12/2023	BoP Current Account Balance	1Q P	--	--	\$103.1b	--

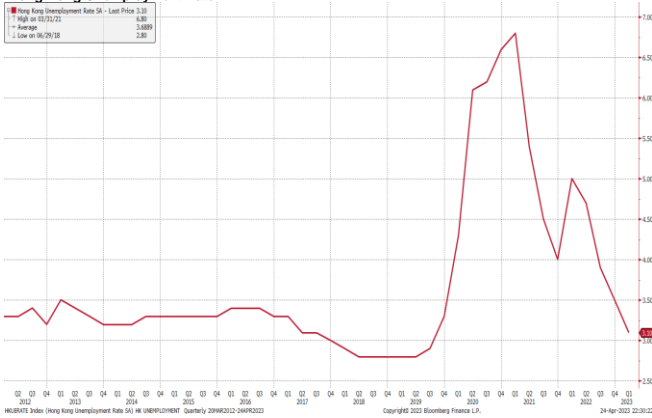
### Hong Kong GDP Q on Q



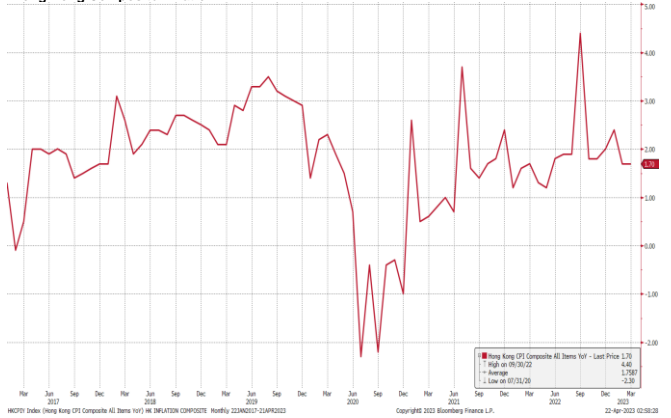
### Hong Kong Base Interest Rate



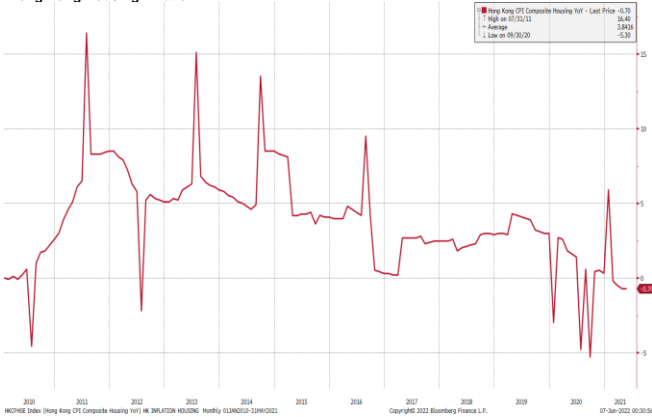
### Hong Kong Unemployment Rate



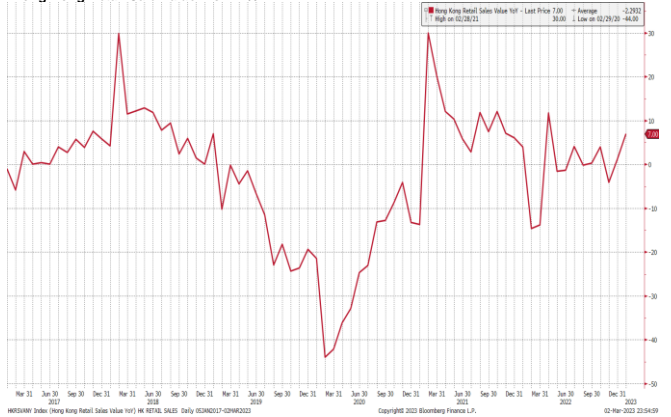
### Hong Kong Composite Inflation



### Hong Kong Housing Inflation



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



(Source: Bloomberg)

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