

Fundamentals:

Hong Kong stocks fell for a fourth day, capping the longest streak of declines in two months, after slowing credit growth in China and weak US job figures added to evidence that economic activity is moderating.

The Hang Seng Index lost 0.6 per cent to 19,627.24 at the close, extending the weekly drop to 2.1 per cent. The four-day decline was the longest since March 10. The Hang Seng Tech Index advanced 0.3 per cent and the Shanghai Composite Index lost 1.1 per cent.

Stocks most sensitive to economic strength led the decliners. Aluminium maker China Hongqiao Group slumped 6.9 per cent to HK\$6.86 and property developer retreated 3.1 per cent to HK\$1.88. Industrial and Commercial Bank of China fell 2 per cent to HK\$4.33 and China Construction Bank sank 2.4 per cent to HK\$5.31. Ping An Insurance shed 3 per cent to HK\$55.90 and China Merchants Bank lost 2 per cent to HK\$39.50.

New yuan loans fell to 719 billion yuan (US\$103.5 billion) in April from 3.89 trillion yuan in the previous month, while aggregate financing, the broadest gauge of credit supply, dropped to 1.22 trillion yuan from 5.38 trillion yuan, according to the data released by China's central bank after the market close on Thursday.

In the US, weekly initial jobless claims reached the highest since October 2021, and producer prices rose at a lower-than-estimated pace in April. While the numbers vindicated the argument for the Federal Reserve to pause the cycle of interest-rate increases, they also put investors on edge about a looming recession.

Hong Kong stocks have been meandering over the past two months, as traders refrain from adding exposure amid a slew of headwinds weighing on equities.

Data released by the statistics bureau showed that China's producer deflation deepened last month. Meanwhile, the Biden administration is set to impose new investment sanctions against China in areas from quantum computing to artificial intelligence.

Limiting the losses on Friday, e-commerce giant JD.com surged 7.3 per cent to HK\$144.80, making it the best performer on the Hang Seng Index, after first-quarter operating profit increased 57 per cent from a year earlier. Semiconductor Manufacturing International Corp advanced 0.3 per cent to HK\$20.20 after China's biggest chip said it expects a recovery in capacity utilisation and wafer shipments this quarter.

Two companies started trading on the mainland. Shenzhen Manst Technology, a coating technology company, rose 17 per cent to 90.12 yuan in Shenzhen and Ningxia Juneng Robotics, a maker of industrial robots, jumped 227 per cent to 18 yuan in Beijing.

Other major Asian markets were mixed. Japan's Nikkei 225 climbed 0.9 per cent and Australia's S&P/ASX 200 added 0.1 per cent, while South Korea's Kospi retreated 0.6 per cent.

(Source: South China Morning Post)

Contracts	Chg	Sett	High	Low
H. SENG FUT MAY 23	-108	19599	19869	19547
H. SENG FUT JUN 23	-114	19538	19807	19490
H. SENG FUT SEP 23	-115	19433	19581	19415
H. SENG FUT DEC 23	-108	19599	19869	19547
MINI H. SENG FUT MAY 23	-108	19599	19865	19549
MINI H. SENG FUT JUN 23	-114	19538	19791	19495
MINI H. SENG FUT SEP 23	-115	19433	19680	19386
MINI H. SENG FUT DEC 23	-108	19599	19865	19549
HSCEI FUT MAY 23	-33	6673	6776	6657
HSCEI FUT JUN 23	-32	6645	6740	6633
HSCEI FUT SEP 23	-35	6581	6672	6570
HSCEI FUT DEC 23	-33	6673	6776	6657
MINI HSCEI FUT MAY 23	-33	6673	6771	6658
MINI HSCEI FUT JUN 23	-32	6645	6740	6630
MINI HSCEI FUT SEP 23	-35	6581	6675	6570
MINI HSCEI FUT DEC 23	-33	6673	6771	6658

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	79.75	-1.2	81.3	79.5
**Tencent Holdings Ltd	328.2	1.8	334.4	327
*HSBC Holdings PLC	58.75	-0.2	58.85	57.9
**China Construction Bank Corp	5.31	-0.13	5.43	5.28
**Ping An Insurance Group	55.9	-1.75	57.2	55.85
**Meituan	131.8	3.3	134.6	130
*Hong Kong Exchanges & Clearing Ltd	309.6	-2.8	314.6	308.8
**Alibaba Group Holdings Ltd	84.65	2	85.5	83.8
**Xiaomi Corp	11.02	-0.2	11.22	10.98
**ICBC	4.33	-0.09	4.41	4.3

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	46.05	-0.55	47.2	46.05
**China Mobile Ltd	66	-1.1	67.55	65.8
**Bank of China Ltd	3.21	-0.06	3.27	3.19
*Techtronic Industries Co Ltd	78.75	-1.55	81.3	78.6
*CK Hutchison Holdings Ltd	51.8	-1.2	52.75	51.5
*Link REIT	49.55	-0.45	50.1	49.3
*CLP Holding Ltd	60.25	-1.25	61.7	60.05
**Geely Automobile Holdings Ltd	9.77	-0.1	10	9.72
**CNOOC Ltd	12.62	-0.2	12.82	12.56
**ANTA Sports Products Ltd	90.6	0.8	91.8	89.1

Global Equity Indices	Close	Change	High	Low
Hang Seng	19627.24	-116.55	19853.4	19596.49
HSCEI	6663.55	-31.56	6758.15	6655.68
Shanghai Comp Index	3272.36	-37.189	3319.13	3271.431
Nikkei 225	29388.3	261.58	29426.1	29141.52
KOSPI	2475.42	-15.58	2487.35	2472.45
S&P/ASX200	7256.65	4.731	7257.3	7233.8
DJIA	33300.6	-8.89	33406.4	33110.61
S&P 500	4124.08	-6.54	4143.74	4099.12
NASDAQ	12284.7	-43.77	12364.7	12209.58
DAX	15913.8	78.91	15938	15852.1
CAC	7414.85	0.45	7463.7	7395.6
FTSE100	7754.62	24.04	7772.79	7729.01

Mini Hang Seng Futures Daily Chart



Mini Hang Seng China Enterprise Futures Daily Chart



Technical Analysis

Mini Hang Seng

1st Resistance:	19893	2nd Resistance:	20187
1st Support:	19305	2nd Support:	19011
MACD:	-116.946		
MACD DIFF:	-24.5128		
RSI:	41.9458		

Mini Hang Seng China Enterprise

1st Resistance:	6773	2nd Resistance:	6873
1st Support:	6573	2nd Support:	6473
MACD:	-30.677		
MACD DIFF:	-1.484		
RSI:	45.2078		

Strategy:

Mini Hang Seng:		Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:
		19305	19498	19208	19011	19201	18916

		Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
		19893	19694	19992	20187	19985	20288

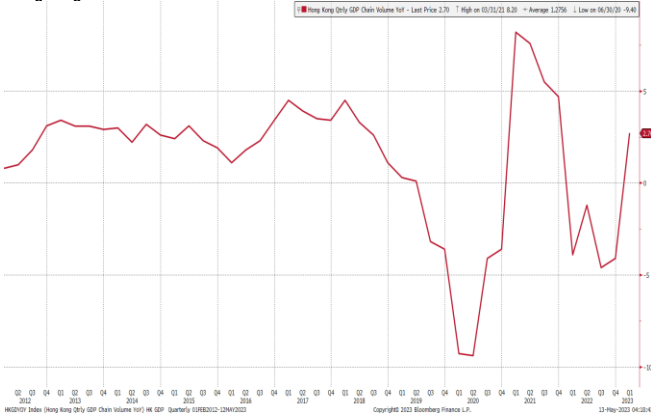
Mini Hang Seng China Enterprise:		Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:
		6573	6639	6540	6473	6538	6440

		Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
		6773	6705	6807	6873	6804	6908

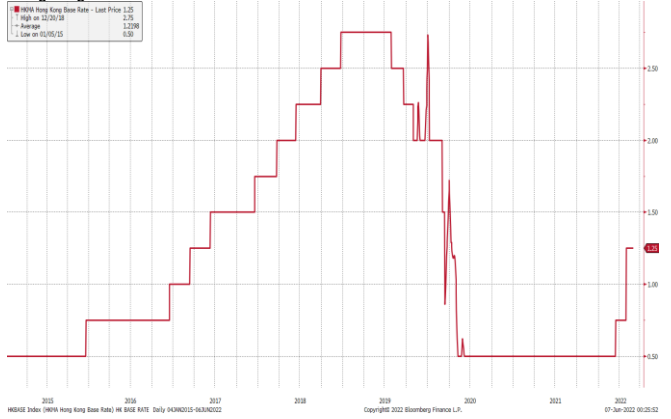
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
05/12/2023 16:30	GDP YoY	1Q F	2.70%	2.70%	2.70%	--
05/12/2023 16:30	GDP SA QoQ	1Q F	5.30%	5.30%	5.30%	--
05/18/2023 16:30	Unemployment Rate SA	Apr	3.00%	--	3.10%	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
05/12/2023 17:02	BoP Current Account Balance	1Q P	--	\$82.0b	\$103.1b	--
05/12/2023 05/18	FDI YTD YoY CNY	Apr	--	--	4.90%	--
05/15/2023 09:20	1-Yr Medium-Term Lending Facility Ra	May-15	2.75%	--	2.75%	--
05/15/2023 09:20	1-Yr Medium-Term Lending Facilities V	May-15	100.0b	--	170.0b	--
05/15/2023 09:20	FX Net Settlement - Clients CNY	Apr	--	--	-106.9b	--
05/16/2023 10:00	Industrial Production YoY	Apr	10.80%	--	3.90%	--
05/16/2023 10:00	Industrial Production YTD YoY	Apr	4.90%	--	3.00%	--
05/16/2023 10:00	Retail Sales YTD YoY	Apr	8.20%	--	5.80%	--
05/16/2023 10:00	Retail Sales YoY	Apr	22.00%	--	10.60%	--
05/16/2023 10:00	Fixed Assets Ex Rural YTD YoY	Apr	5.70%	--	5.10%	--
05/16/2023 10:00	Property Investment YTD YoY	Apr	-5.70%	--	-5.80%	--
05/16/2023 10:00	Residential Property Sales YTD YoY	Apr	--	--	7.10%	--
05/16/2023 10:00	Surveyed Jobless Rate	Apr	5.30%	--	5.30%	--
05/17/2023 09:30	New Home Prices MoM	Apr	--	--	0.44%	--
05/18/2023 09:00	Swift Global Payments CNY	Apr	--	--	2.26%	--

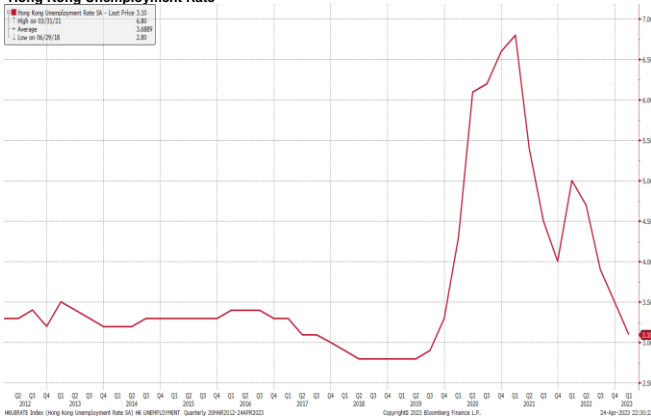
Hong Kong GDP Q on Q



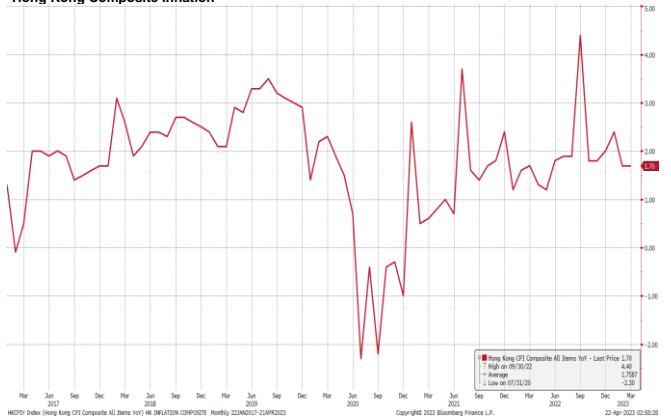
Hong Kong Base Interest Rate



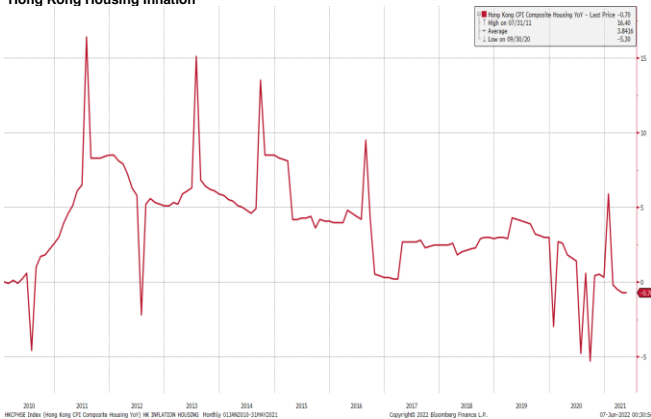
Hong Kong Unemployment Rate



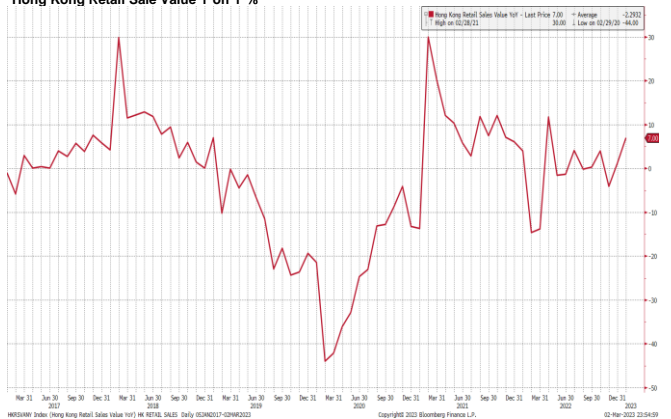
Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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