

**Fundamentals:**

Hong Kong stocks fell to a 12-week low as investors wait for stronger signals of economic recovery from China and more quarterly earnings report cards from tech giants.

The Hang Seng Index slipped 2.1 per cent to 19,560.57 at the close of trading on Wednesday, its lowest point since March 21. The Tech Index sank 2.2 per cent and the Shanghai Composite Index fell 0.4 per cent.

Property developer Longfor plunged 7.1 per cent to HK\$18.62, while peer Country Garden dropped 5.3 per cent to HK\$1.62. Drug makers WuXi Biologics fell 4 per cent to HK\$44.85 while Hansoh Pharmaceuticals lost 4.3 per cent to HK\$12.76.

Alibaba fell 0.4 per cent to HK\$85.45, while Tencent gained 0.6 per cent to HK\$342.80. Tencent is expected to release its report card late on Wednesday, while Alibaba's earnings report will be out on Thursday.

Recent economic data released by China has proved underwhelming, and investors are looking to tech giants' quarterly earnings this week for stronger signals of recovery.

Investment banks are split over the meaning of weaker-than-expected Chinese economic data for April, with Nomura, JPMorgan Chase and Barclays reducing their China annual GDP forecasts.

JPMorgan lowered its full-year GDP growth estimate to 5.9 per cent from a previous 6.4 per cent, while Barclays economists said "5.6 per cent growth for this year is now out of reach" and set a new target of 5.3 per cent.

Nomura dropped its forecast to 5.5 per cent from 5.9 per cent, citing, "rising risk of slower activity growth, rising unemployment, persistent disinflation, falling market interest rates and a weaker currency".

Elsewhere Baidu's first-quarter results, announced on Tuesday evening, beat expectations with 31 billion yuan in revenue and profit of 5.4 billion yuan. The report sent its stock up as much as 1.3 per cent before sliding 0.4 per cent to HK\$123.80.

Investors are waiting to hear whether the US will raise its debt-ceiling - an upper limit on government borrowing - later this week. President Joe Biden and House Speaker Kevin McCarthy said they were hopeful a deal will be reached. Failure to do so would likely trigger a default and send shockwaves across global financial markets.

One company began trading in Shenzhen. Software company Fengzhushou surged 83 per cent to 43 yuan.

Asian markets were mixed. Japan's Nikkei 225 climbed 0.8 per cent and Australia's S&P/ASX 200 fell 0.5 per cent, while South Korea's Kospi rose 0.6 per cent.

(Source: South China Morning Post)

Contracts	Chg	Sett	High	Low
H. SENG FUT MAY 23	-423	19489	19953	19454
H. SENG FUT JUN 23	-424	19427	19892	19399
H. SENG FUT SEP 23	-428	19323	19788	19303
H. SENG FUT DEC 23	-423	19489	19953	19454
MINI H. SENG FUT MAY 23	-423	19489	19953	19456
MINI H. SENG FUT JUN 23	-424	19427	19895	19399
MINI H. SENG FUT SEP 23	-428	19323	19790	19300
MINI H. SENG FUT DEC 23	-423	19489	19953	19456
HSCEI FUT MAY 23	-152	6631	6811	6621
HSCEI FUT JUN 23	-150	6599	6776	6590
HSCEI FUT SEP 23	-150	6537	6690	6531
HSCEI FUT DEC 23	-152	6631	6811	6621
MINI HSCEI FUT MAY 23	-152	6631	6812	6621
MINI HSCEI FUT JUN 23	-150	6599	6775	6590
MINI HSCEI FUT SEP 23	-150	6537	6698	6531
MINI HSCEI FUT DEC 23	-152	6631	6812	6621

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	79.2	-2	81.4	79.05
**Tencent Holdings Ltd	342.8	-2	349.8	341.2
*HSBC Holdings PLC	58.65	-1.05	59.3	58.5
**China Construction Bank Corp	5.29	-0.07	5.39	5.26
**Ping An Insurance Group	55.1	-2.55	57.8	54.8
**Meituan	133	-4.4	139	132.8
*Hong Kong Exchanges & Clearing Ltd	305.8	-6	311.2	305.4
**Alibaba Group Holdings Ltd	85.45	-0.3	87.5	85
**Xiaomi Corp	10.84	-0.38	11.22	10.82
**ICBC	4.37	-0.05	4.48	4.35

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	44.85	-1.85	46.85	44.75
**China Mobile Ltd	64.35	-1.35	65.35	63.7
**Bank of China Ltd	3.22	-0.05	3.29	3.21
*Techtronic Industries Co Ltd	78.75	-4.15	82.9	78.75
*CK Hutchison Holdings Ltd	51.05	-0.45	51.85	50.95
*Link REIT	50.05	-0.65	50.9	49.7
*CLP Holding Ltd	59.6	-1.2	61.1	59.55
**Geely Automobile Holdings Ltd	9.47	-0.26	9.78	9.41
**CNOOC Ltd	12.7	-0.24	12.92	12.64
**ANTA Sports Products Ltd	86.9	-4.1	91	86.6

Global Equity Indices	Close	Change	High	Low
Hang Seng	19560.57	-417.68	19987.9	19538.09
HSCEI	6636.66	-152.71	6804.57	6625.82
Shanghai Comp Index	3284.23	-6.755	3298.52	3269.894
Nikkei 225	30093.6	250.6	30115.3	29912.44
KOSPI	2494.66	14.42	2498.37	2475.02
S&P/ASX200	7199.24	-35.443	7234.7	7159.8
DJIA	33420.8	408.63	33472.4	33050.41
S&P 500	4158.77	48.87	4164.67	4113.62
NASDAQ	12500.6	157.52	12514.1	12335.02
DAX	15951.3	53.37	15992.8	15862.15
CAC	7399.44	-0.09	7422.58	7354.54
FTSE100	7723.23	-27.85	7758.15	7713.03

**Mini Hang Seng Futures Daily Chart**



**Mini Hang Seng China Enterprise Futures Daily Chart**



**Technical Analysis**

**Mini Hang Seng**

1st Resistance:	19781	2nd Resistance:	20074
1st Support:	19197	2nd Support:	18904
MACD:	-109.490		
MACD DIFF:	-13.9083		
RSI:	41.368		

**Mini Hang Seng China Enterprise**

1st Resistance:	6730	2nd Resistance:	6830
1st Support:	6532	2nd Support:	6432
MACD:	-26.002		
MACD DIFF:	0.053		
RSI:	43.6785		

**Strategy:**

Mini Hang Seng:	Long: Profit target:	Stop-loss:	Long: Profit target:	Stop-loss:
	19197	19389	19101	18904

	Short: Profit target:	Stop-loss:	Short: Profit target:	Stop-loss:
	19781	19584	19880	20074

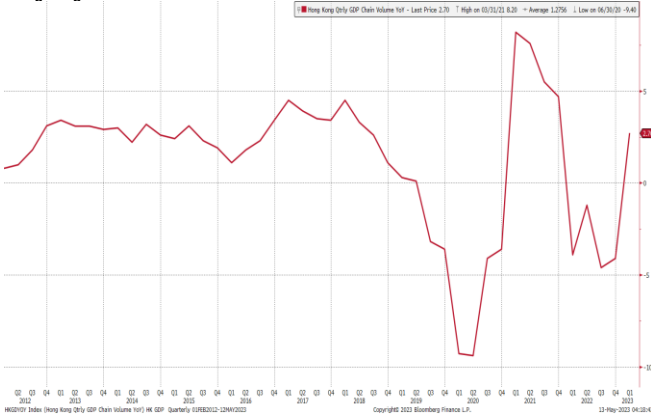
Mini Hang Seng China Enterprise:	Long: Profit target:	Stop-loss:	Long: Profit target:	Stop-loss:
	6532	6597	6499	6432

	Short: Profit target:	Stop-loss:	Short: Profit target:	Stop-loss:
	6730	6663	6764	6830

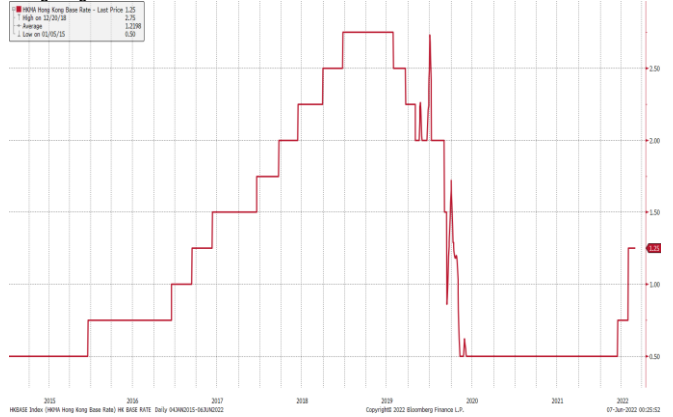
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
05/18/2023 16:30	Unemployment Rate SA	Apr	3.00%	--	3.10%	--
05/22/2023 16:30	CPI Composite YoY	Apr	--	--	1.70%	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
05/17/2023 09:30	New Home Prices MoM	Apr	--	0.32%	0.44%	--
05/17/2023 15:52	FDI YTD YoY CNY	Apr	--	2.20%	4.90%	--
05/18/2023 09:00	Swift Global Payments CNY	Apr	--	--	2.26%	--
05/22/2023 09:15	5-Year Loan Prime Rate	May-22	4.30%	--	4.30%	--
05/22/2023 09:15	1-Year Loan Prime Rate	May-22	3.65%	--	3.65%	--

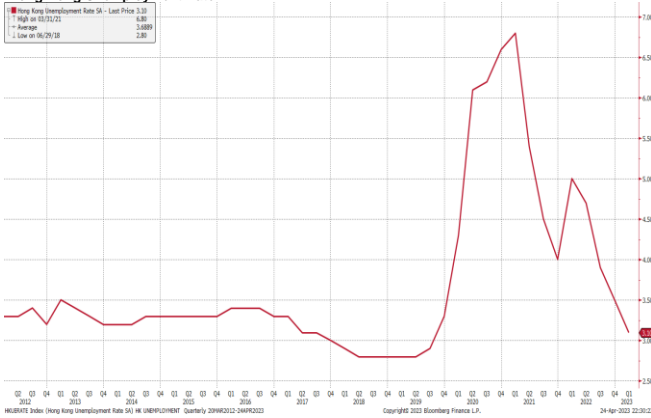
### Hong Kong GDP Q on Q



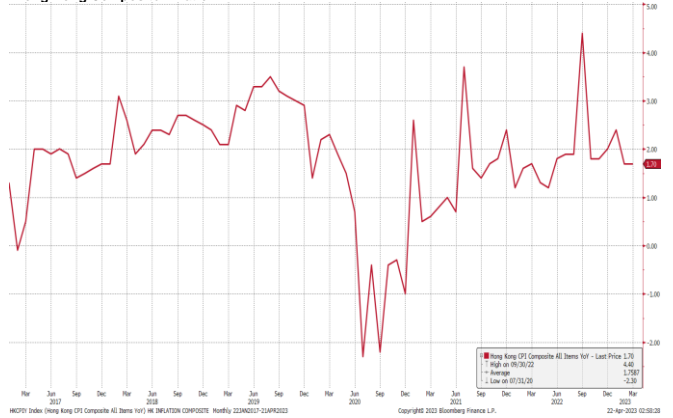
### Hong Kong Base Interest Rate



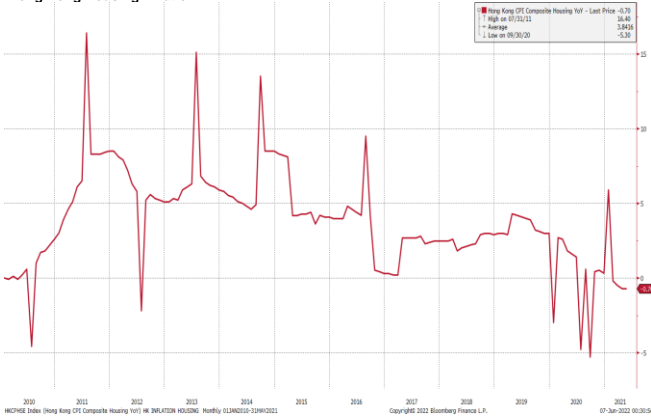
### Hong Kong Unemployment Rate



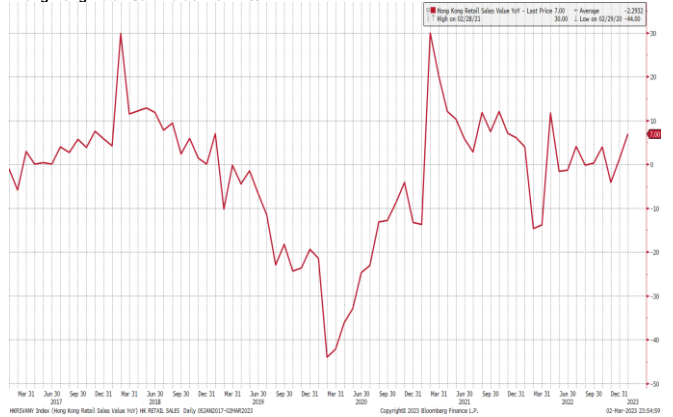
### Hong Kong Composite Inflation



### Hong Kong Housing Inflation



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



(Source: Bloomberg)

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