

Fundamentals:

Stocks in Hong Kong fell on Tuesday as the protracted US debt ceiling negotiations and rising tensions between Beijing and Washington continued to weigh on sentiment. Pharmaceutical stocks surged as Chinese health authorities said more vaccines are on the way to curb Covid-19 waves.

The Hang Seng Index dropped 1.3 per cent to 19,431.25 at the close of trading, having flipped from an early morning gain of as much as 0.5 per cent. The Tech Index dropped 1.3 per cent while the Shanghai Composite Index lost 1.5 per cent.

E-commerce giants Alibaba and JD.com slipped 0.6 per cent and 1.8 per cent respectively, while video games company NetEase crashed 4 per cent to HK\$134.30. China's largest chip maker, Semiconductor Manufacturing International Corporation, plummeted 6.5 per cent to HK\$19.68 while property developer Country Garden fell 3.8 per cent to HK\$1.54.

Limiting losses, drug maker Hansoh Pharmaceutical jumped 4.7 per cent to HK\$13.76 and Wuxi Biologics gained 0.9 per cent to HK\$44.95, after health authorities in China said they are preparing to roll out new vaccines to battle Omicron subvariants.

US President Joe Biden and House Speaker Kevin McCarthy said they had a "productive" discussion about the debt ceiling though no deal has been reached yet. Treasury Secretary Janet Yellen said the country could find itself unable to pay its bills as soon as June 1.

Further weighing on sentiment, China responded angrily to President Biden's suggestion that a thaw in US-China relations was imminent. The Chinese foreign vice-minister, Sun Weidong, accused the US-led Group of Seven summit of demonstrating a "Cold War mentality" on Monday, dashing optimism about a cooling in geopolitical tensions.

Elsewhere, Beijing-based Kuaishou surged 3.1 per cent to HK\$55.15 after reporting a 20 per cent jump in revenue during the first quarter. The company also announced a share buy-back programme of up to HK\$4 billion until 2024, according to a filing to the stock exchange on Monday. Alibaba Health jumped before reporting its earnings later today.

Two stocks debuted on Tuesday. Shenzhen Leoking Environmental crashed 10.6 per cent while Zhejiang Extel Technology dropped 7.2 per cent during their first day of trading in Shenzhen.

Major Asian markets were mixed amid the US debt talk uncertainties. The Nikkei 225 in Japan lost 0.4 per cent, the Kospi in South Korea rose 0.4 per cent, while the S&P/ASX 200 in Australia was little changed.

(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	-247	19436	19820	19351
H. SENG FUT JUN 23	-258	19372	19750	19296
H. SENG FUT SEP 23	-265	19281	19680	19218
H. SENG FUT DEC 23	-247	19436	19820	19351
MINI H. SENG FUT MAY 23	-247	19436	19819	19351
MINI H. SENG FUT JUN 23	-258	19372	19761	19298
MINI H. SENG FUT SEP 23	-265	19281	19680	19216
MINI H. SENG FUT DEC 23	-247	19436	19819	19351
HSCEI FUT MAY 23	-102	6611	6772	6580
HSCEI FUT JUN 23	-102	6581	6737	6551
HSCEI FUT SEP 23	-107	6521	6680	6493
HSCEI FUT DEC 23	-102	6611	6772	6580
MINI HSCEI FUT MAY 23	-102	6611	6771	6581
MINI HSCEI FUT JUN 23	-102	6581	6740	6552
MINI HSCEI FUT SEP 23	-107	6521	6653	6500
MINI HSCEI FUT DEC 23	-102	6611	6771	6581

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	78.3	-0.516	79.4	78.1
**Tencent Holdings Ltd	335.6	-4.6	345.6	334
*HSBC Holdings PLC	59.6	-0.15	60	59.5
**China Construction Bank Corp	5.3	-0.06	5.42	5.26
**Ping An Insurance Group	53.05	-1.9	55.3	52.75
**Meituan	132.8	0.2	135.7	132
*Hong Kong Exchanges & Clearing Ltd	306.2	-1.4	312.6	305
**Alibaba Group Holdings Ltd	83	-0.6	84.65	82.35
**Xiaomi Corp	10.76	-0.2	11.06	10.68
**ICBC	4.39	-0.06	4.49	4.36

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	44.85	0.3	45.6	44.4
**China Mobile Ltd	65.95	-1.2	67.55	65.6
**Bank of China Ltd	3.21	-0.06	3.29	3.2
*Techtronic Industries Co Ltd	77.6	-1.5	79.7	77.4
*CK Hutchison Holdings Ltd	48.35	-0.564	49.05	48.05
*Link REIT	49.3	-0.1	49.55	49.1
*CLP Holding Ltd	57.25	-1.65	59	57.1
**Geely Automobile Holdings Ltd	9.68	0.06	9.78	9.62
**CNOOC Ltd	12.8	-0.1	13.04	12.74
**ANTA Sports Products Ltd	85.55	-2.35	87.65	85.1

Global Equity Indices	Close	Change	High	Low
Hang Seng	19431.25	-246.92	19769.1	19363.5
HSCEI	6603.57	-90.07	6753.33	6579.12
Shanghai Comp Index	3246.24	-50.231	3298.23	3246.238
Nikkei 225	30957.8	-129.05	31352.5	30828.73
KOSPI	2567.55	10.47	2577.32	2561.1
S&P/ASX200	7259.89	-3.366	7288.1	7259.9
DJIA	33055.5	-231.07	33310.2	33013.29
S&P 500	4145.58	-47.05	4185.68	4142.54
NASDAQ	12560.3	-160.53	12709.7	12554.43
DAX	16152.9	-71.13	16224.3	16143.98
CAC	7378.71	-1.33	7459.37	7378.71
FTSE100	7762.95	-8.04	7800.85	7747.09

Technical Analysis

Mini Hang Seng

1st Resistance:	19728	2nd Resistance:	20019
1st Support:	19144	2nd Support:	18853
MACD:	-140.953		
MACD DIFF:	-24.4895		
RSI:	42.8536		

Mini Hang Seng China Enterprise

1st Resistance:	6710	2nd Resistance:	6809
1st Support:	6512	2nd Support:	6413
MACD:	-35.706		
MACD DIFF:	-6.292		
RSI:	44.4985		

Strategy:

Mini Hang Seng:	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:
	19144	19336	19049	18853	19041	18759

Mini Hang Seng:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
	19728	19530	19826	20019	19819	20119

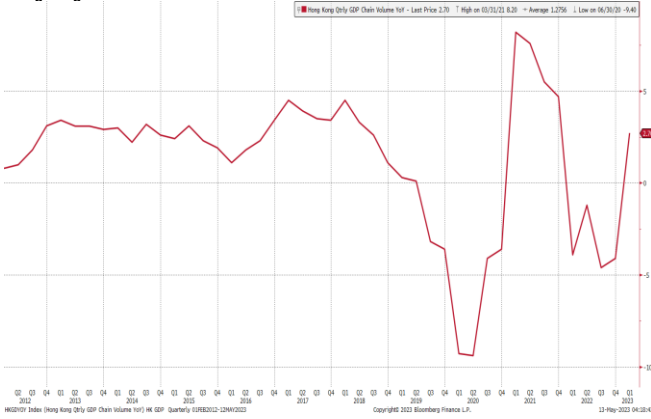
Mini Hang Seng China Enterprise:	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:
	6512	6577	6479	6413	6477	6381

Mini Hang Seng China Enterprise:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
	6710	6643	6744	6809	6741	6843

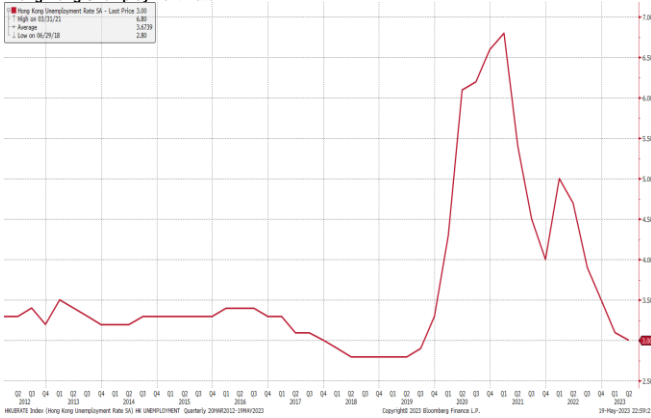
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
05/29/2023 16:30	Exports YoY	Apr	--	--	-1.50%	--
05/29/2023 16:30	Imports YoY	Apr	--	--	-0.60%	--
05/29/2023 16:30	Trade Balance HKD	Apr	--	--	-40.6b	--
05/31/2023	Money Supply M3 HKD YoY	Apr	--	--	0.90%	--
05/31/2023	Budget Balance HKD	Apr	--	--	-61.7b	--
05/31/2023	Money Supply M1 HKD YoY	Apr	--	--	-20.40%	--
05/31/2023	Money Supply M2 HKD YoY	Apr	--	--	0.90%	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
05/25/2023 10:00	Bloomberg May China Economic Survey					
05/27/2023 09:30	Industrial Profits YTD YoY	Apr	--	--	-21.40%	--
05/31/2023 09:30	Composite PMI	May	--	--	54.4	--
05/31/2023 09:30	Manufacturing PMI	May	--	--	4920.00%	--
05/31/2023 09:30	Non-manufacturing PMI	May	--	--	5640.00%	--

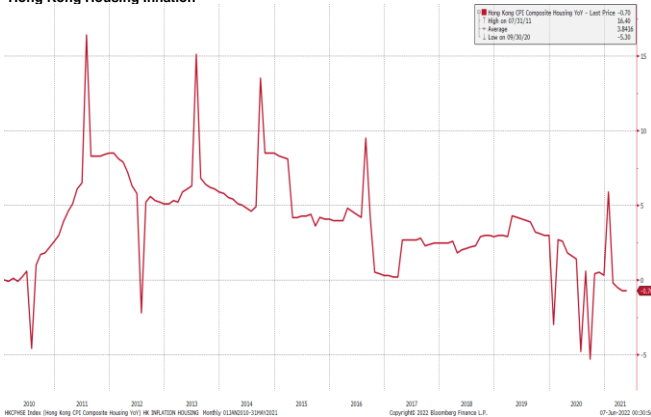
Hong Kong GDP Q on Q



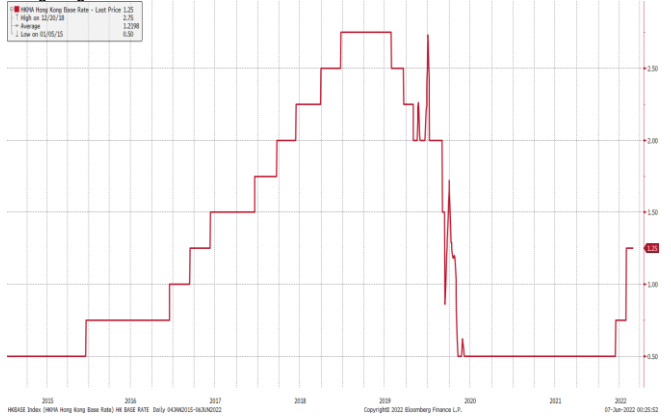
Hong Kong Unemployment Rate



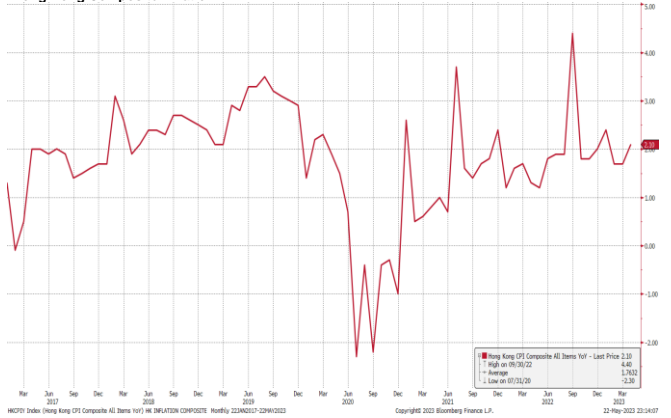
Hong Kong Housing Inflation



Hong Kong Base Interest Rate



Hong Kong Composite Inflation



Hong Kong Retail Sales Value Y on Y %



(Source: Bloomberg)

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