

Fundamentals:

Hong Kong stocks dropped to a six-month low as Lenovo and Xpeng reported disappointing earnings amid China's weak economic recovery. A stalemate in debt ceiling talks in the US continued to sap sentiment.

The Hang Seng Index slid 1.9 per cent to 18,746.92 at Thursday's close, breaching the 19,000-mark for the first time since December. The Tech Index dropped 2.3 per cent while the Shanghai Composite Index declined 0.1 per cent.

Alibaba and Tencent both dropped 3 per cent to HK\$78.65 and HK\$323.40, respectively. Food delivery giant Meituan shed 3.4 per cent to HK\$126 while CSPC Pharmaceutical weakened 3 per cent to HK\$7.23 before reporting their results later today. Property developer Longfor Group slipped 2.6 per cent to HK\$15.72, while Country Garden, one of its peers, tumbled 1.3 per cent to HK\$1.49.

Lenovo, the world's largest PC maker, reported that its revenue dropped 17 per cent during the March quarter and announced a 5 per cent cut of its workforce to cut costs. Smartphone maker Xiaomi's revenue fell 19 per cent in the first quarter, hit by weak consumption in China and sluggish global demand.

Similarly, Tesla challenger Xpeng saw its revenue nearly halve as an aggressive price war between electric-car makers narrowed margins.

The Hang Seng Index declined for a third week with a 3.6 per cent loss, the longest losing streak since February when the so-called China reopening trade started to crack. The benchmark is down 17.4 per cent since its January 27 peak, erasing US\$530 billion from the city's broader market, according to Bloomberg data.

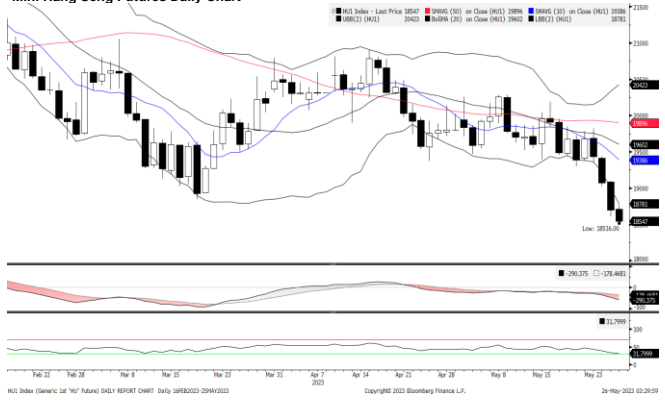
Weighing on sentiment, US lawmakers are still in a stand-off in their negotiations over raising the debt ceiling, with only days to go before the government could face an unprecedented default. Fitch Ratings said on Thursday it has placed the US's AAA credit rating on watch for a possible downgrade, as the risk of missed payments on the rise.

Elsewhere, three stocks debuted on Thursday. Horizon Construction Development crashed 29 per cent and Edlanyun lost 3 per cent during their first day of trading in Hong Kong, while Zhejiang Tongxing Technology soared 97 per cent in Shenzhen.

Major Asian markets were mixed. The Nikkei 225 in Japan added 0.4 per cent. The S&P/ASX 200 Index in Australia lost 1 per cent while the Kospi in South Korea declined 0.5 per cent.

(Source: South China Morning Post)

Mini Hang Seng Futures Daily Chart



Mini Hang Seng China Enterprise Futures Daily Chart



Technical Analysis

Mini Hang Seng

1st Resistance:	18975	2nd Resistance:	19256
1st Support:	18415	2nd Support:	18134
MACD:	-236.128		
MACD DIFF:	-85.7831		
RSI:	33.3695		

Mini Hang Seng China Enterprise

1st Resistance:	6419	2nd Resistance:	6514
1st Support:	6229	2nd Support:	6134
MACD:	-74.180		
MACD DIFF:	-32.304		
RSI:	34.9553		

Strategy:

Mini Hang Seng:	Long: Profit target: 18415	Stop-loss: 18599	18323	Long: Profit target: 18134	Stop-loss: 18315	18043
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	Short: Profit target: 18975	Stop-loss: 18786	19070	Short: Profit target: 19256	Stop-loss: 19063	19352
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Mini Hang Seng China Enterprise:	Long: Profit target: 6229	Stop-loss: 6291	6198	Long: Profit target: 6134	Stop-loss: 6196	6104
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	Short: Profit target: 6419	Stop-loss: 6355	6451	Short: Profit target: 6514	Stop-loss: 6449	6546
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Contracts	Chg	Sett	High	Low
H. SENG FUT MAY 23	-376	18695	19096	18609
H. SENG FUT JUN 23	-384	18624	19022	18536
H. SENG FUT SEP 23	-384	18528	18870	18436
H. SENG FUT DEC 23	-376	18695	19096	18609
MINI H. SENG FUT MAY 23	-376	18695	19097	18608
MINI H. SENG FUT JUN 23	-384	18624	19019	18536
MINI H. SENG FUT SEP 23	-384	18528	18910	18435
MINI H. SENG FUT DEC 23	-376	18695	19097	18608
HSCEI FUT MAY 23	-140	6324	6476	6289
HSCEI FUT JUN 23	-137	6292	6440	6253
HSCEI FUT SEP 23	-143	6227	6352	6200
HSCEI FUT DEC 23	-140	6324	6476	6289
MINI HSCEI FUT MAY 23	-140	6324	6474	6290
MINI HSCEI FUT JUN 23	-137	6292	6434	6255
MINI HSCEI FUT SEP 23	-143	6227	6355	6197
MINI HSCEI FUT DEC 23	-140	6324	6474	6290

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	76.5	-0.55	77	75.65
**Tencent Holdings Ltd	322.4	-10	330.6	318.4
*HSBC Holdings PLC	58.35	-0.9	58.4	57.85
**China Construction Bank Corp	5.09	-0.07	5.14	5.06
**Ping An Insurance Group	51.15	-0.45	51.4	50.6
**Meituan	126	-4.4	129.6	123.3
*Hong Kong Exchanges & Clearing Ltd	294	-7	300.6	290.6
**Alibaba Group Holdings Ltd	78.65	-2.4	80.3	77.6
**Xiaomi Corp	10.5	0.1	10.94	10.32
**ICBC	4.23	-0.07	4.29	4.22

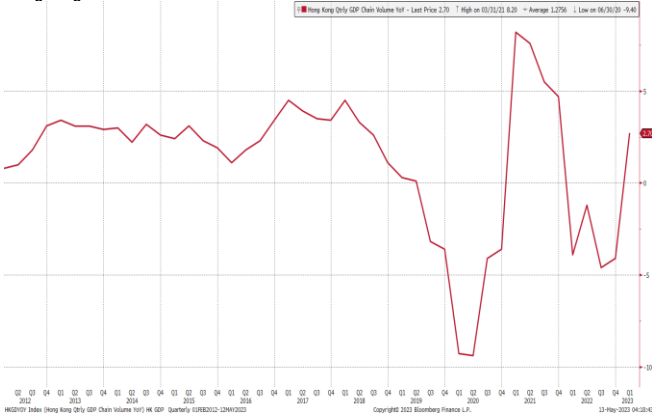
Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	42.95	-1.4	43.95	42.55
**China Mobile Ltd	64.4	-0.5	64.85	63.6
**Bank of China Ltd	3.11	-0.06	3.15	3.11
*Techtronic Industries Co Ltd	76.85	0	77.1	75.3
*CK Hutchison Holdings Ltd	48.45	-0.5	48.55	48.05
*Link REIT	48.55	-0.65	48.95	48.25
*CLP Holding Ltd	57.75	-0.05	57.75	57.15
**Geely Automobile Holdings Ltd	9.28	-0.31	9.48	9.15
**CNOOC Ltd	12.48	-0.22	12.72	12.26
**ANTA Sports Products Ltd	83.25	-1.3	84	81.8

Global Equity Indices	Close	Change	High	Low
Hang Seng	18746.92	-369.01	18930.2	18620.84
HSCEI	6333.63	-144.45	6423.89	6289.22
Shanghai Comp Index	3201.26	-3.49	3207.02	3168.572
Nikkei 225	30801.1	118.45	30890	30558.14
KOSPI	2554.69	-12.76	2575.05	2551.49
S&P/ASX200	7138.16	-75.638	7213.8	7130.3
DJIA	32764.7	-35.27	32870.4	32586.56
S&P 500	4151.28	36.04	4165.74	4129.73
NASDAQ	12698.1	213.93	12736.9	12604.89
DAX	15793.8	-48.33	15872.6	15726.5
CAC	7229.27	-0.33	7261.05	7197.4
FTSE100	7570.87	-56.23	7629.08	7569.17

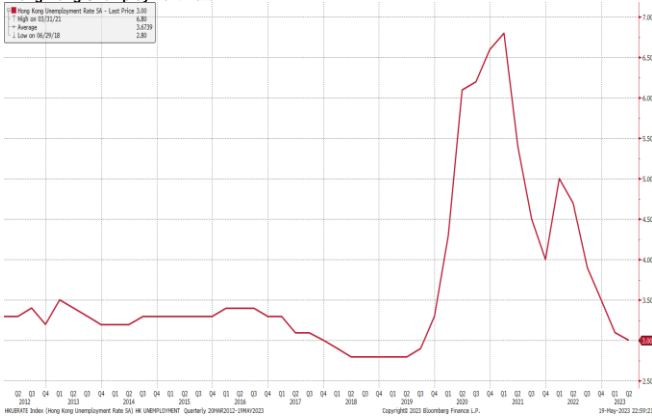
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
05/29/2023 16:30	Exports YoY	Apr	--	--	-1.50%	--
05/29/2023 16:30	Imports YoY	Apr	--	--	-0.60%	--
05/29/2023 16:30	Trade Balance HKD	Apr	--	--	-40.6b	--
05/31/2023	Money Supply M3 HKD YoY	Apr	--	--	0.90%	--
05/31/2023	Budget Balance HKD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

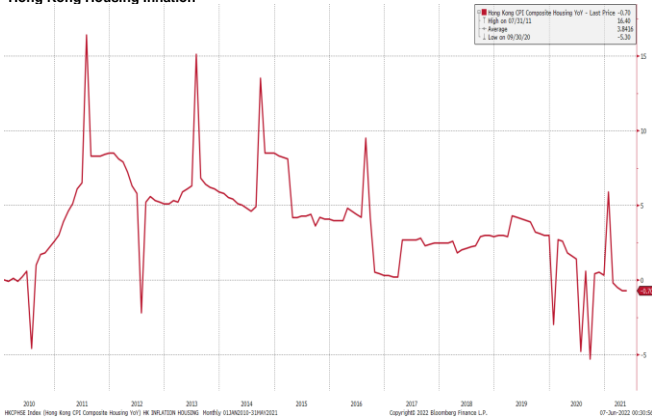
Hong Kong GDP Q on Q



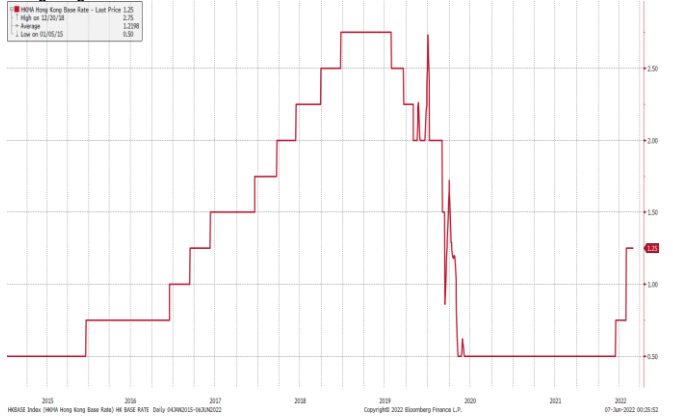
Hong Kong Unemployment Rate



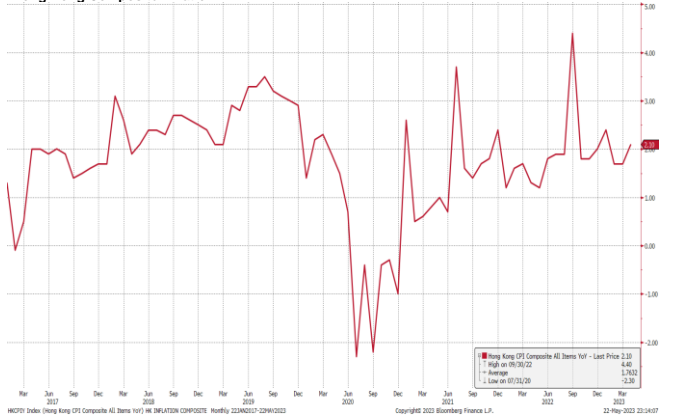
Hong Kong Housing Inflation



Hong Kong Base Interest Rate



Hong Kong Composite Inflation



Hong Kong Retail Sales Value Y on Y %



(Source: Bloomberg)

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