

Fundamentals:

Hong Kong stocks erased losses after HSBC surged on the back of a stellar set of earnings. The broader market struggled after a surprise slump in manufacturing in mainland China reignited concerns about an uneven post-pandemic recovery.

The Hang Seng Index gained 0.2 per cent to 19,933.81 at the close of Tuesday trading, after falling as much as 0.7 per cent. The benchmark index fell 2.5 per cent in April. The Tech Index was also little changed, following a 9.4 per cent loss last month. Markets in mainland China are closed through Wednesday for the May Day holiday.

HSBC jumped 4.5 per cent to HK\$58.65 for the biggest gain in more than two months. Alibaba Group gained 0.3 per cent to HK\$82.30 and Tencent increased 0.4 per cent to HK\$345.80. Carmaker Xpeng jumped 2.5 per cent to HK\$38.55. Developer Country Garden slumped 1.5 per cent to HK\$1.98, while peer Longfor Group slid 0.7 per cent to HK\$21.20.

HSBC, the city's biggest commercial bank, made a pre-tax profit of US\$12.9 billion, versus US\$3.9 billion a year earlier, with gains in all geographies of operations. The lender proposed to pay a dividend, resuming payout on quarterly basis for the first time since 2019.

Sand China jumped 1.8 per cent to HK\$28.35 and Galaxy Entertainment advanced 2.2 per cent to HK\$56.70. Gaming revenue in Macau surged 450 per cent last month to a three-year high of 14.7 billion patacas (US\$1.8 billion), fanning gains in the two leading casino concessionaires.

Meanwhile, stocks earlier wavered. Manufacturing in the mainland shrank in April, after an official index fell to 49.2 in April from 51.9 in March, the statistics office in Beijing said. Sub-gauges on new orders and export orders also shrank. The weak data overshadowed optimism about a rebound in consumption, including a surge in Macau gaming revenue in April.

The PMI reading was "significantly lower than consensus and our own expectations," indicating "sluggish end-demand," Goldman Sachs said in a report. While May Day data showed improved mobility, the key questions are whether they would translate into robust consumer spending, they added.

BYD slipped 1.8 per cent to HK\$231.80, as concerns about Berkshire Hathaway's sell-down clouded its otherwise solid business outlook. China's biggest EV maker almost doubled its deliveries in April to 210,295 units from a year earlier, according to a stock exchange filing on Tuesday.

The market is also watching out for the impact of another round of policy tightening in the US. The Federal Reserve is likely to raise its key rate by 25 basis points to a range of 5 per cent to 5.25 per cent later this week, according to fed fund futures.

Major Asian markets were mixed. The Kospi in South Korea rose 0.9 per cent and the Nikkei 225 in Japan added 0.1 per cent, while the S&P/ASX 200 in Australia lost 0.9 per cent.

(Source: South China Morning Post)

Contracts	Chg	Sett	High	Low
H. SENG FUT MAY 23	36	19836	20257	19706
H. SENG FUT JUN 23	40	19777	20188	19650
H. SENG FUT SEP 23	37	19667	20057	19568
H. SENG FUT DEC 23	36	19836	20257	19706
MINI H. SENG FUT MAY 23	36	19836	20257	19705
MINI H. SENG FUT JUN 23	40	19777	20188	19650
MINI H. SENG FUT SEP 23	37	19667	20080	19542
MINI H. SENG FUT DEC 23	36	19836	20257	19705
HSCEI FUT MAY 23	-25	6675	6863	6644
HSCEI FUT JUN 23	-27	6646	6829	6623
HSCEI FUT SEP 23	-30	6576	6763	6567
HSCEI FUT DEC 23	-25	6675	6863	6644
MINI HSCEI FUT MAY 23	-25	6675	6863	6644
MINI HSCEI FUT JUN 23	-27	6646	6830	6619
MINI HSCEI FUT SEP 23	-30	6576	6765	6549
MINI HSCEI FUT DEC 23	-25	6675	6863	6644

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	85.45	0.5	86.8	84.85
**Tencent Holdings Ltd	345.8	1.4	354.4	342.2
*HSBC Holdings PLC	58.65	2.5	58.95	56.25
**China Construction Bank Corp	5.2	-0.05	5.31	5.18
**Ping An Insurance Group	55.6	-1.1	58	55.3
**Meituan	132.5	-0.5	137.4	131.5
*Hong Kong Exchanges & Clearing Ltd	322.4	-1.6	329	322
**Alibaba Group Holdings Ltd	82.3	0.25	84.1	81.5
**Xiaomi Corp	11.02	-0.04	11.38	10.86
**ICBC	4.2	-0.02	4.28	4.17

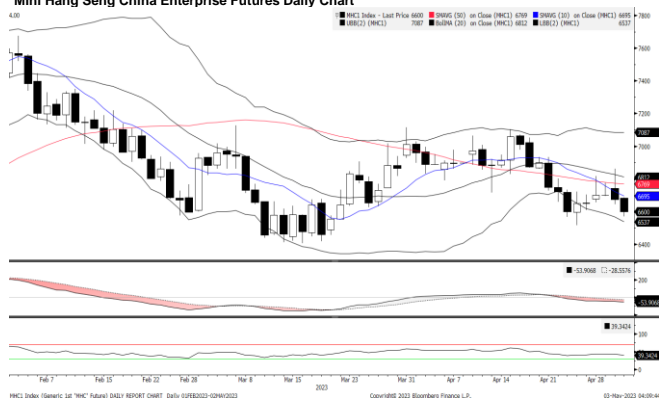
Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	46.5	0.05	47.8	45.7
**China Mobile Ltd	67.25	-0.4	68.2	67.2
**Bank of China Ltd	3.15	0.02	3.17	3.13
*Techtronic Industries Co Ltd	85	0.6	86.4	83.95
*CK Hutchison Holdings Ltd	52.95	0.45	53.65	52.5
*Link REIT	50.8	-0.4	51.8	50.6
*CLP Holding Ltd	58.45	0.05	58.9	57.95
**Geely Automobile Holdings Ltd	9.5	-0.15	9.95	9.4
**CNOOC Ltd	12.64	-0.16	12.94	12.6
**ANTA Sports Products Ltd	94	-2.8	98	93.2

Global Equity Indices	Close	Change	High	Low
Hang Seng	19933.81	39.24	20286.5	19761.13
HSCEI	6680.21	-21.94	6845	6632.57
Shanghai Comp Index	0	0	0	0
Nikkei 225	29158	34.77	29278.8	29083.13
KOSPI	2524.39	22.86	2524.42	2503.21
S&P/ASX200	7267.4	-67.159	7334.9	7248.1
DJIA	33684.5	-367.17	34017.8	33436.66
S&P 500	4119.58	-48.29	4164.1	4089.72
NASDAQ	12080.5	-132.09	12206.6	12015.23
DAX	15726.9	-195.44	16011.6	15707.55
CAC	7383.2	-1.45	7505.92	7374.06
FTSE100	7773.03	-97.54	7898.69	7773.03

Mini Hang Seng Futures Daily Chart



Mini Hang Seng China Enterprise Futures Daily Chart



Technical Analysis

Mini Hang Seng

1st Resistance:	20134	2nd Resistance:	20431
1st Support:	19538	2nd Support:	19241
MACD:	-109.533		
MACD DIFF:	-61.6537		
RSI:	44.0623		

Mini Hang Seng China Enterprise

1st Resistance:	6775	2nd Resistance:	6875
1st Support:	6575	2nd Support:	6475
MACD:	-46.042		
MACD DIFF:	-23.852		
RSI:	42.9689		

Strategy:

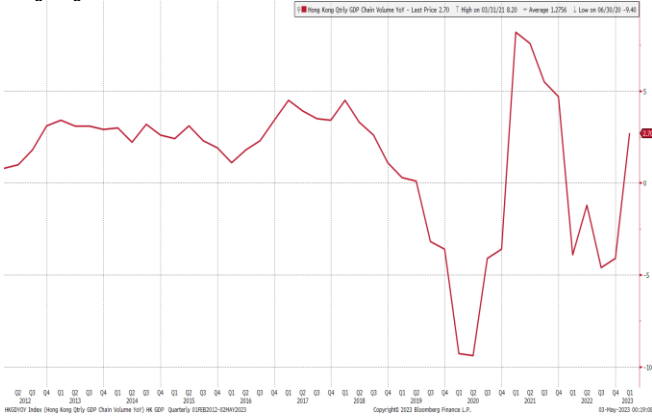
Mini Hang Seng:	Long: Profit target:	Stop-loss:	Long: Profit target:	Stop-loss:
	19538	19734	19441	19241
	20134	19932	20234	20431
				20227
				20533

Mini Hang Seng China Enterprise:	Long: Profit target:	Stop-loss:	Long: Profit target:	Stop-loss:
	6575	6641	6542	6475
				6539
				6442
				6806
				6910

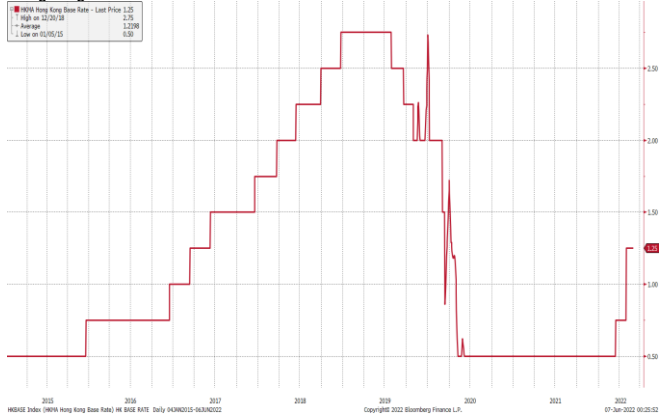
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
05/02/2023 10:36	GDP YoY	1Q A	0.50%	2.70%	-4.20%	-4.10%
05/02/2023 16:30	GDP SA QoQ	1Q A	3.00%	5.30%	0.00%	--
05/04/2023 08:30	S&P Global Hong Kong PMI	Apr	--	--	53.5	--
05/04/2023 16:30	Retail Sales Value YoY	Mar	41.20%	--	31.30%	--
05/04/2023 16:30	Retail Sales Volume YoY	Mar	35.50%	--	29.60%	--
05/05/2023	Foreign Reserves	Apr	--	--	\$430.7b	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
05/04/2023 09:45	Caixin China PMI Mfg	Apr	50	--	50	--
05/05/2023 09:45	Caixin China PMI Composite	Apr	--	--	54.5	--
05/05/2023 09:45	Caixin China PMI Services	Apr	57.2	--	57.8	--
05/07/2023	Foreign Reserves	Apr	--	--	\$3183.87b	--
05/09/2023	Exports YoY	Apr	11.00%	--	14.80%	--
05/09/2023	Imports YoY	Apr	0.00%	--	-1.40%	--
05/09/2023	Trade Balance	Apr	--	--	\$88.19b	--
05/09/2023	Exports YoY CNY	Apr	--	--	23.40%	--
05/09/2023	Imports YoY CNY	Apr	--	--	6.10%	--
05/09/2023	Trade Balance CNY	Apr	--	--	601.01b	--
05/09/2023 05/15	Aggregate Financing CNY	Apr	--	--	5380.0b	--
05/09/2023 05/15	Money Supply M2 YoY	Apr	--	--	12.70%	--
05/09/2023 05/15	Money Supply M0 YoY	Apr	--	--	11.00%	--
05/09/2023 05/15	New Yuan Loans CNY	Apr	--	--	3890.0b	--
05/09/2023 05/15	Money Supply M1 YoY	Apr	--	--	5.10%	--

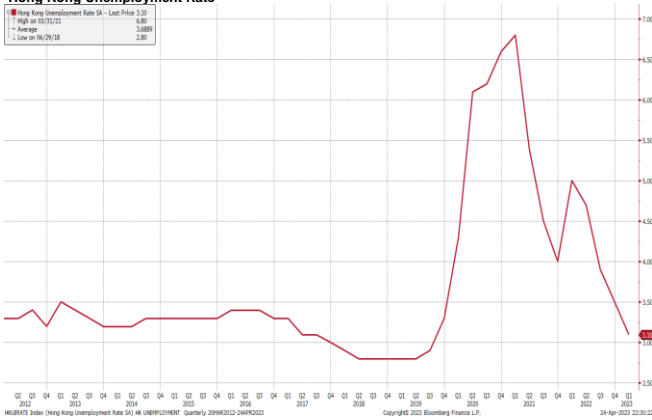
Hong Kong GDP Q on Q



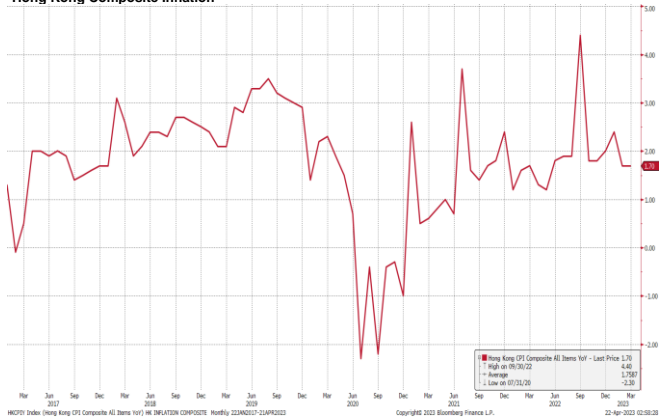
Hong Kong Base Interest Rate



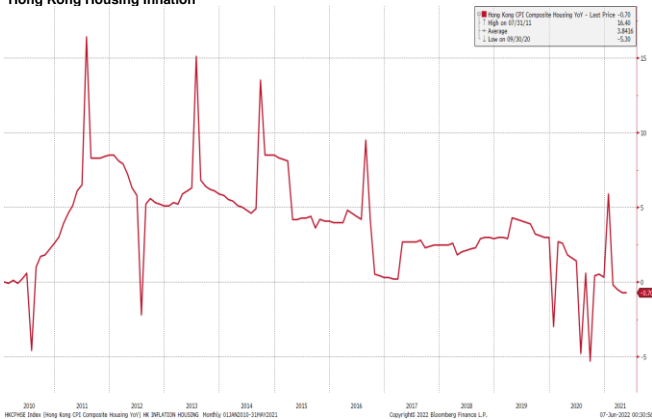
Hong Kong Unemployment Rate



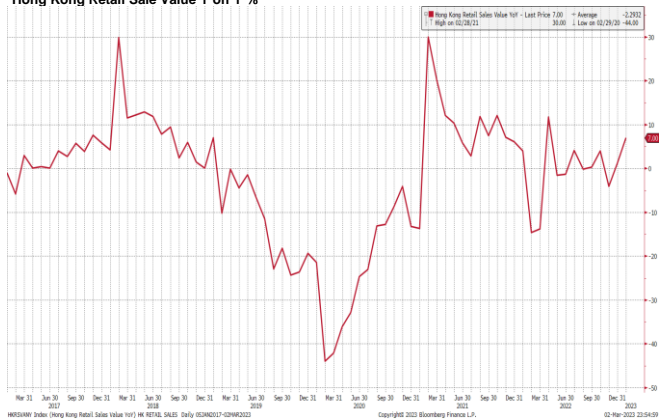
Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sales Value Y on Y %



(Source: Bloomberg)

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