

Fundamentals:

Hong Kong stocks extended losses as investor sentiment was dampened by a fall in China's industrial profits, a reflection of weak economic conditions, which cast a shadow over the optimism which followed the tentative agreement to raise the US debt ceiling.

Among the biggest losers was food-delivery giant Meituan, which slumped 8.1 percent to HK\$115.80, its lowest since March 2022. Tencent eased 2.9 per cent to HK\$313.20 and e-commerce platform JD.com was down 1.7 per cent at HK\$127.90. Electric vehicle maker BYD which dropped 2 per cent to HK\$229.80 and Geely Auto which weakened 1.1 per cent to HK\$9.18, also provided the drag.

Helping offset some of the losses, search engine operator Baidu jumped 2.7 percent to HK\$119.70, while gaming giant NetEase surged 7.2 per cent to HK\$139.90 after it announced robust earnings. China's biggest chip maker Semiconductor Manufacturing International Corporation (SMIC) climbed 2.8 per cent to HK\$20, while PC maker Lenovo jumped 3.9 per cent to HK\$7.42.

Weighing on sentiment was news about the world's second biggest economy. China's industrial profits fell 20.6 per cent in the January-April compared with the same period last year, although it was slower than the 21.4 per cent decline reported in the first quarter, according to data from the National Bureau of Statistics (NBS).

Meanwhile, the initial optimism was provided by the agreement to suspend the US\$31.4 trillion debt ceiling between Republicans and Democrats, as the world's largest economy averted a historic default. US President Joe Biden and House Speaker Kevin McCarthy reached "a bipartisan budget agreement" after talks on Sunday.

The Hang Seng Index has retreated 18.2 per cent from a January peak as the China reopening trade started to lose momentum, erasing nearly US\$600 billion from the city's stock market.

Key Asian markets advanced on Monday. Japan's Nikkei 225 Index gained 1 percent and Australia's S&P ASX 200 climbed 0.9 per cent while South Korea's Kospi Index added 0.2 per cent.

(Source: Reuters)

Mini Hang Seng Futures Daily Chart



Mini Hang Seng China Enterprise Futures Daily Chart



Contracts	Chg	Sett	High	Low
H. SENG FUT MAY 23	-173	18522	18876	18495
H. SENG FUT JUN 23	-174	18450	18805	18430
H. SENG FUT SEP 23	-169	18359	18698	18336
H. SENG FUT DEC 23	-173	18522	18876	18495
MINI H. SENG FUT MAY 23	-173	18522	18876	18495
MINI H. SENG FUT JUN 23	-174	18450	18805	18429
MINI H. SENG FUT SEP 23	-169	18359	18708	18330
MINI H. SENG FUT DEC 23	-173	18522	18876	18495
HSCEI FUT MAY 23	-80	6244	6379	6236
HSCEI FUT JUN 23	-78	6214	6345	6204
HSCEI FUT SEP 23	-74	6153	6280	6150
HSCEI FUT DEC 23	-80	6244	6379	6236
MINI HSCEI FUT MAY 23	-80	6244	6379	6236
MINI HSCEI FUT JUN 23	-78	6214	6345	6205
MINI HSCEI FUT SEP 23	-74	6153	6280	6148
MINI HSCEI FUT DEC 23	-80	6244	6379	6236

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	76.6	0.1	77.75	76.25
**Tencent Holdings Ltd	313.2	-9.2	327.2	311.2
*HSBC Holdings PLC	58.75	0.4	59.15	58.5
**China Construction Bank Corp	5.12	0.03	5.16	5.09
**Ping An Insurance Group	50.5	-0.65	51.9	50.45
**Meituan	115.8	-10.2	126	115.3
*Hong Kong Exchanges & Clearing Ltd	289	-5	299	288.2
**Alibaba Group Holdings Ltd	77.8	-0.85	79.55	77.6
**Xiaomi Corp	10.48	-0.02	10.74	10.4
**ICBC	4.25	0.02	4.3	4.22

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	42	-0.95	44.15	41.85
**China Mobile Ltd	64	-0.4	65.5	63.6
**Bank of China Ltd	3.14	0.03	3.16	3.11
*Techtronic Industries Co Ltd	73.2	-3.65	76.85	73.15
*CK Hutchison Holdings Ltd	48.1	-0.35	48.75	48.05
*Link REIT	47.7	-0.85	48.55	47.45
*CLP Holding Ltd	57.35	-0.4	58.05	57.3
**Geely Automobile Holdings Ltd	9.18	-0.1	9.35	9.07
**CNOOC Ltd	12.4	-0.08	12.6	12.4
**ANTA Sports Products Ltd	81.15	-2.1	84.2	80.55

Global Equity Indices	Close	Change	High	Low
Hang Seng	18551.11	-195.81	18879.1	18517.86
HSCEI	6251.04	-82.59	6378.44	6239.37
Shanghai Comp Index	3221.45	8.944	3230.97	3208.955
Nikkei 225	31233.5	317.23	31560.4	31164
KOSPI	0	0	0	0
S&P/ASX200	7217.37	62.614	7254.8	7154.8
DJIA	0	0	0	0
S&P 500	0	0	0	0
NASDAQ	0	0	0	0
DAX	15952.7	-31.24	16079.7	15925.22
CAC	7303.81	-0.21	7356.57	7292.11
FTSE100	0	0	0	0

Technical Analysis

Mini Hang Seng

1st Resistance: 18800 2nd Resistance: 19078
 1st Support: 18244 2nd Support: 17966
 MACD: -322.283
 MACD DIFF: -117.049
 RSI: 31.4182

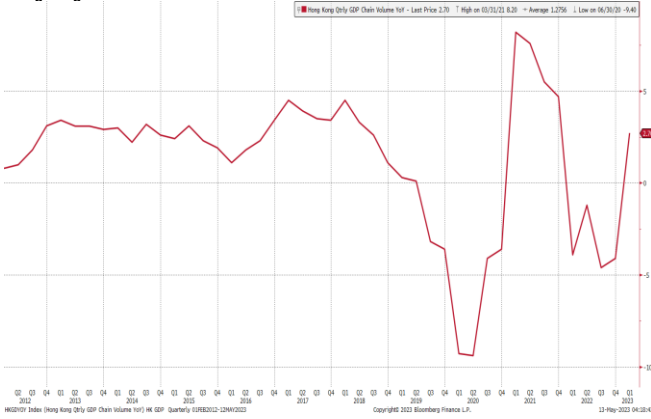
Mini Hang Seng China Enterprise

1st Resistance: 6338 2nd Resistance: 6431
 1st Support: 6150 2nd Support: 6057
 MACD: -109.923
 MACD DIFF: -46.541
 RSI: 32.6087

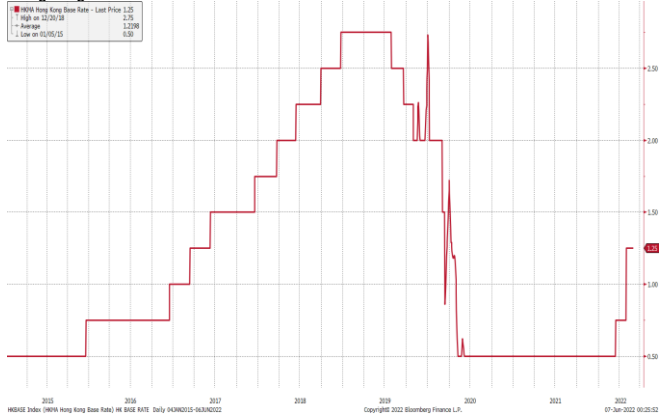
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
05/29/2023 16:30	Exports YoY	Apr	-0.093	-0.13	-1.50%	--
05/29/2023 16:30	Imports YoY	Apr	-0.099	-0.119	-0.60%	--
05/29/2023 16:30	Trade Balance HKD	Apr	-33.8b	-36.6b	-40.6b	--
05/31/2023	Money Supply M3 HKD YoY	Apr	--	--	0.90%	--
05/31/2023	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%	--
06/01/2023 16:30	Retail Sales Value YoY	Apr	0.221	--	40.90%	--
06/01/2023 16:30	Retail Sales Volume YoY	Apr	0.095	--	39.40%	--
06/05/2023 08:30	S&P Global Hong Kong PMI	May	--	--	52.4	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
05/26/2023 05:00	Bloomberg May China Economic Survey					
05/27/2023 09:30	Industrial Profits YTD YoY	Apr	--	-20.60%	-21.40%	--
05/31/2023 09:30	Composite PMI	May	--	--	54.4	--
05/31/2023 09:30	Manufacturing PMI	May	49.5	--	49.2	--
05/31/2023 09:30	Non-manufacturing PMI	May	55.2	--	56.4	--
06/01/2023 09:45	Caixin China PMI Mfg	May	49.5	--	49.5	--
06/05/2023 09:45	Caixin China PMI Composite	May	--	--	53.6	--
06/05/2023 09:45	Caixin China PMI Services	May	55.1	--	56.4	--

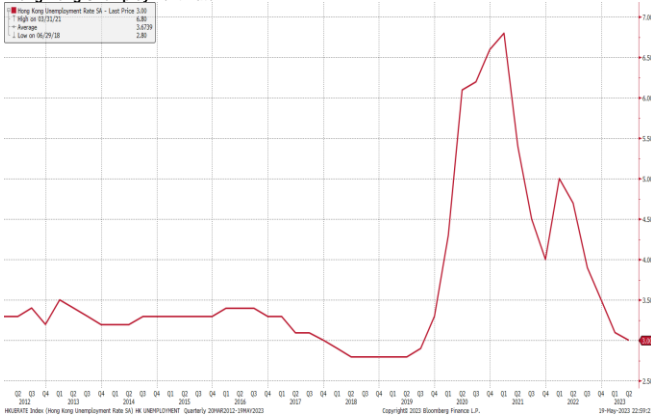
Hong Kong GDP Q on Q



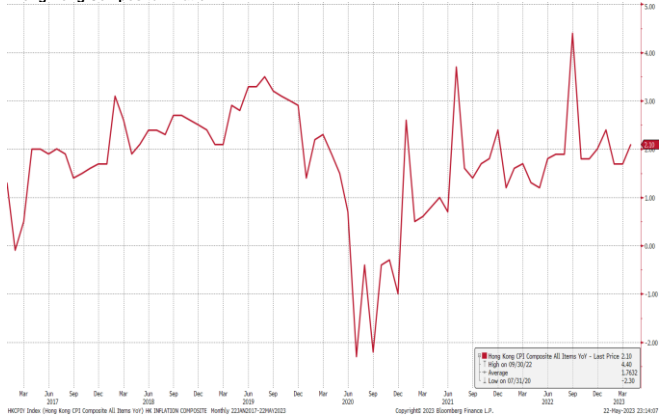
Hong Kong Base Interest Rate



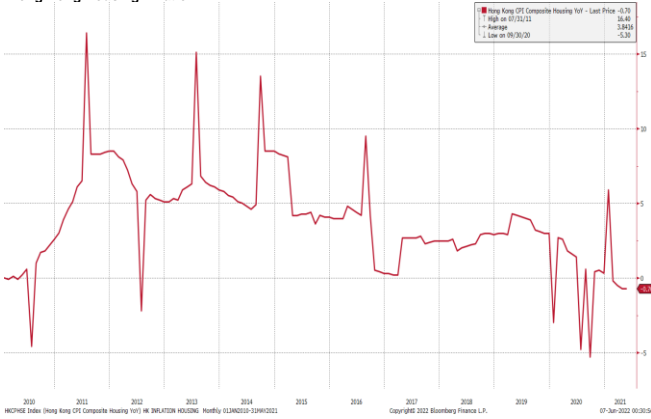
Hong Kong Unemployment Rate



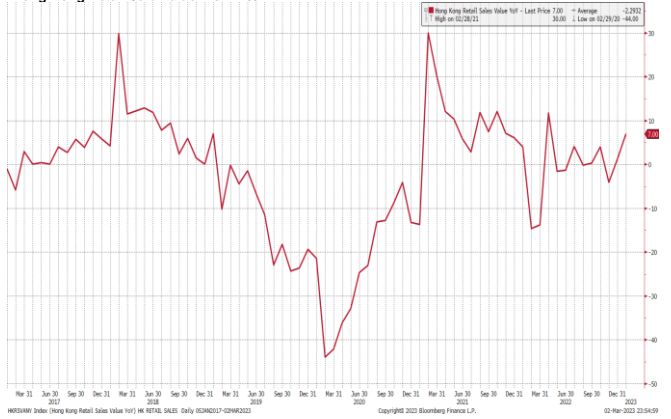
Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sales Value Y on Y %



(Source: Bloomberg)

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