

Fundamentals:

Hong Kong stocks fell, surrendering a rally from near a six-month low, on concerns China will disappoint investors on stimulus bets amid waning confidence in the nation's risk assets and currency.

The Hang Seng Index lost 0.1 per cent to 18,216.91 at the close of Thursday trading, after gaining as much as 1.3 per cent. The Tech Index rose 0.1 per cent after surging almost 2 per cent, while the Shanghai Composite Index ended little changed.

Alibaba Group lost 0.8 per cent to HK\$77.30. Developer Longfor tumbled 3.7 per cent to HK\$14.50 and peer Country Garden lost 2.8 per cent to HK\$1.40. Macau casino operator Sands China slid 2.2 per cent to HK\$24.80 while Galaxy Entertainment retreated 1.5 per cent to HK\$47.80, as a rebound in gaming revenue failed to boost sentiment.

Limiting losses, Tencent surged 1.5 per cent to HK\$315.40 and Baidu advanced 1.8 per cent to HK\$121.60. JD.com surged 3.3 per cent to HK\$130 while Meituan climbed 2.4 per cent to HK\$112.80.

The Hang Seng Index slumped 8.4 per cent in May, adding to a 2.5 per cent loss in April and driving the market barometer within a percentage point of bear-market territory, or about 20 per cent slide from its January 27 peak. The Chinese currency this week slumped past 7 yuan per dollar, the weakest since late November.

Local stocks logged early gains after a private report showed Chinese manufacturing surprisingly expanded last month. The Caixin/S&P PMI Index rose to 50.9 from 49.5 in April, beating consensus estimates of 49.5. It contrasted with an official report earlier this week showing factory activity contracted in May to the lowest since December.

Elsewhere, Prudential slumped 2.2 per cent to HK\$104.70 after skidding to a two-month low of HK\$103.90. The UK insurer said chief financial officer James Turner will depart the firm after a "code of conduct" review relating to a recent recruitment, it said in a filing without elaboration on the nature of the event.

Two companies began trading in mainland markets. Chip maker Shanghai New Vision Microelect closed 86 per cent higher at 21.07 yuan in Shanghai. Plastics manufacturer Jiangsu Topfly New Materials gained 59 per cent to 46.06 yuan in Shenzhen.

Major Asian markets were mixed. Japan's Nikkei 225 added 0.8 per cent, Australia's S&P/ASX 200 gained 0.3 per cent, while South Korea's Kospi Index declined 0.3 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: 18422 2nd Resistance: 18695
 1st Support: 17878 2nd Support: 17606
 MACD: -435.519
 MACD DIFF: -133.661
 RSI: 27.4076

Mini Hang Seng China Enterprise

1st Resistance: 6204 2nd Resistance: 6295
 1st Support: 6020 2nd Support: 5929
 MACD: -155.175
 MACD DIFF: -53.284
 RSI: 28.8517

Strategy:

Mini Hang Seng: Long: Profit target: 18057 Stop-loss: 17788 Long: Profit target: 17782 Stop-loss: 17517

Short: Profit target: 18422 Stop-loss: 18238 Short: Profit target: 18508 Stop-loss: 18788

Mini Hang Seng China Enterprise: Long: Profit target: 6081 Stop-loss: 5990 Long: Profit target: 5988 Stop-loss: 5899

Short: Profit target: 6204 Stop-loss: 6142 Short: Profit target: 6235 Stop-loss: 6327

Contracts	Chg	Sett	High	Low
H. SENG FUT JUN 23	-50	18150	18397	17948
H. SENG FUT JUL 23	-50	18049	18290	17855
H. SENG FUT SEP 23	-47	18060	18260	17940
H. SENG FUT DEC 23	-50	18150	18397	17948
MINI H. SENG FUT JUN 23	-50	18150	18395	17949
MINI H. SENG FUT JUL 23	-50	18049	18283	17850
MINI H. SENG FUT SEP 23	-47	18060	18290	17888
MINI H. SENG FUT DEC 23	-50	18150	18395	17949
HSCEI FUT JUN 23	-29	6112	6213	6040
HSCEI FUT JUL 23	-27	6036	6129	5989
HSCEI FUT SEP 23	-27	6052	6150	6000
HSCEI FUT DEC 23	-29	6112	6213	6040
MINI HSCEI FUT JUN 23	-29	6112	6213	6040
MINI HSCEI FUT JUL 23	-27	6036	6132	5967
MINI HSCEI FUT SEP 23	-27	6052	6147	5985
MINI HSCEI FUT DEC 23	-29	6112	6213	6040

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	75.2	0.1	76.55	75.1
**Tencent Holdings Ltd	315.4	4.8	323.4	311.2
*HSBC Holdings PLC	57.35	-0.35	57.65	57.05
**China Construction Bank Corp	4.97	-0.04	5.05	4.96
**Ping An Insurance Group	49.3	-0.4	49.9	48.9
**Meituan	112.8	2.6	117	110.8
*Hong Kong Exchanges & Clearing Ltd	291	4.4	296.6	287
**Alibaba Group Holdings Ltd	77.3	-0.6	79.7	76.9
**Xiaomi Corp	10.26	-0.08	10.54	10.18
**ICBC	4.13	-0.06	4.2	4.13

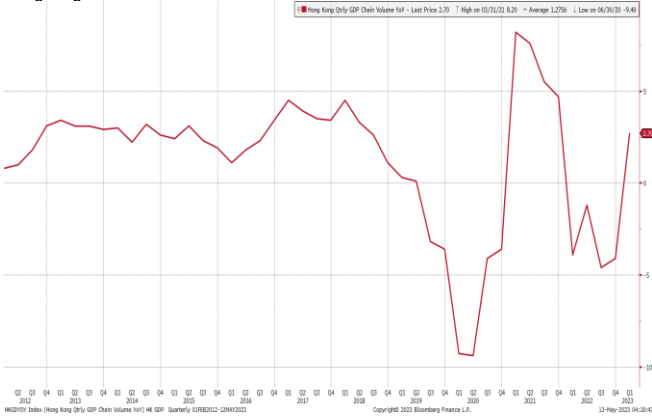
Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	41.75	1.7	42.9	39.85
**China Mobile Ltd	63.25	-0.4	63.8	62.9
**Bank of China Ltd	3.05	-0.02	3.09	3.05
*Techtronic Industries Co Ltd	74.85	2.2	75.45	72.45
*CK Hutchison Holdings Ltd	46.65	-0.7	47.3	46.6
*Link REIT	45.8	0.3	46.85	45.2
*CLP Holding Ltd	56.65	-0.4	57.45	56.65
**Geely Automobile Holdings Ltd	9.01	-0.1	9.23	8.95
**CNOOC Ltd	11.82	0.04	12.02	11.5
**ANTA Sports Products Ltd	78.6	-1.35	81.8	78.45

Global Equity Indices	Close	Change	High	Low
Hang Seng	18216.91	-17.36	18465.6	18190.27
HSCEI	6149.64	-13.7	6247.1	6136.93
Shanghai Comp Index	3204.64	0.071	3225.09	3189.517
Nikkei 225	31148	260.13	31185.1	30853.44
KOSPI	2569.17	-7.95	2580.15	2565
S&P/ASX200	7110.81	19.495	7131.9	7077.9
DJIA	33061.6	153.3	33167.8	32704.51
S&P 500	4221.02	41.19	4232.43	4171.64
NASDAQ	13101	165.69	13141.8	12903.63
DAX	15853.7	189.64	15863.4	15734.86
CAC	7137.43	0.55	7171.6	7090.46
FTSE100	7490.27	44.13	7498.59	7445.3

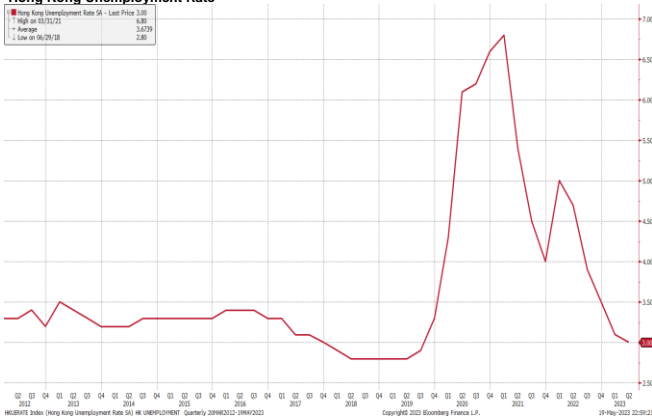
Hong Kong Economic Releases	Period	Survey	Actual	Prior	Revised	
06/01/2023 16:30	Retail Sales Value YoY	Apr	13.80%	15.00%	40.90%	40.80%
06/01/2023 16:30	Retail Sales Volume YoY	Apr	9.50%	13.30%	39.40%	39.30%
06/05/2023 08:30	S&P Global Hong Kong PMI	May	--	--	52.4	--
06/07/2023	Foreign Reserves	May	--	--	\$427.4b	--
06/08/2023 13:00	Bloomberg June Hong Kong Economic Survey					

China Economic Releases	Period	Survey	Actual	Prior	Revised	
06/01/2023 09:45	Caixin China PMI Mfg	May	49.5	50.9	49.5	--
06/05/2023 09:45	Caixin China PMI Composite	May	--	--	5360.00%	--
06/05/2023 09:45	Caixin China PMI Services	May	55.2	--	56.4	--
06/07/2023	Foreign Reserves	May	--	--	\$3204.80b	--
06/07/2023	Exports YoY	May	-0.021	--	0.085	--
06/07/2023	Imports YoY	May	-0.08	--	-0.079	--
06/07/2023	Trade Balance	May	\$92.00b	--	\$90.21b	--
06/07/2023	Exports YoY CNY	May	--	--	0.168	--
06/07/2023	Imports YoY CNY	May	--	--	-0.80%	--
06/07/2023	Trade Balance CNY	May	--	--	618.44b	--

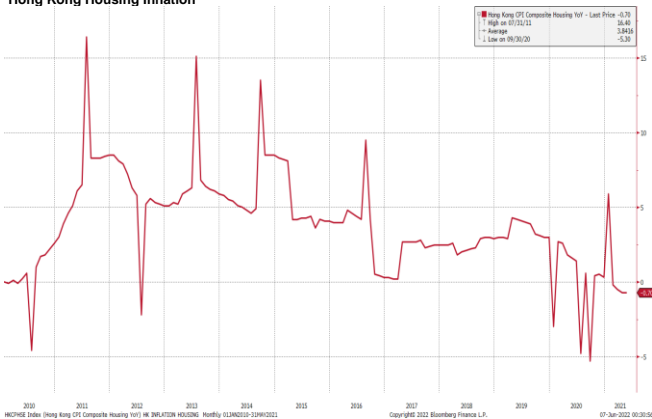
Hong Kong GDP Q on Q



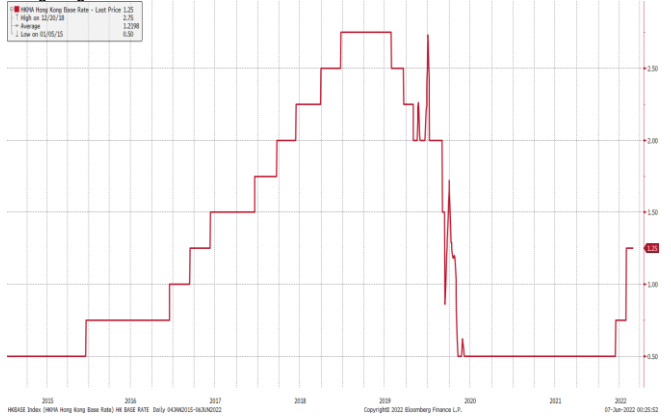
Hong Kong Unemployment Rate



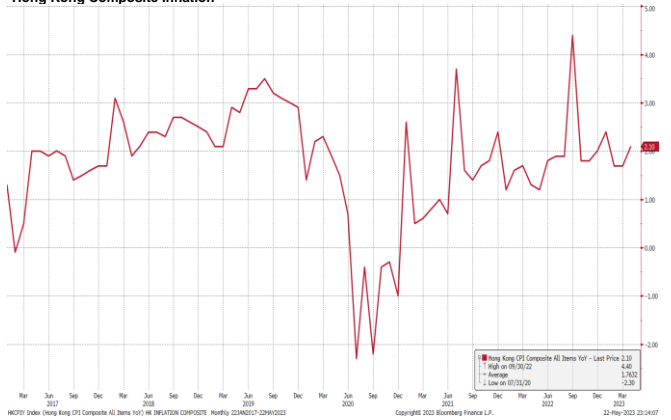
Hong Kong Housing Inflation



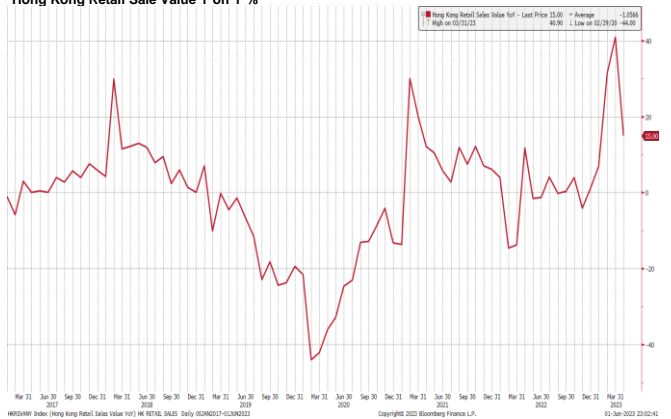
Hong Kong Base Interest Rate



Hong Kong Composite Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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