

Fundamentals:

Hong Kong stocks surrendered gains, sending the benchmark index back to a six-week low, on concern sticky deflation in mainland China will hamper efforts to recharge the economy. Tencent Holdings snapped a six-day slump.

The Hang Seng Index slipped 0.2 per cent to 19,240.89 on Thursday to a level last seen on November 26. The gauge erased an earlier gain of as much as 0.7 per cent. The Tech Index climbed 0.1 per cent while the Shanghai Composite Index retreated 0.6 per cent.

Sportswear maker Li Ning slumped 5 per cent to HK\$15.56 and electric-car maker Li Auto lost 4.4 per cent to HK\$87.50 while e-commerce leader Alibaba Group retreated 0.4 per cent to HK\$60.60.

Limiting losses, Tencent advanced 1.1 per cent to HK\$373.40 to halt a losing streak partly triggered by the US decision to blacklist the WeChat owner as a Chinese military company. Anta Sports rallied 4.5 per cent to HK\$78.60 after UOB Kay Hian said its retail sales picked up last quarter.

Tencent, the third-largest Hong Kong-listed firm, has spent HK\$3.7 billion (US\$475.6 million) to buy back its own shares this week, according to exchange filings, after a six-day rout that erased HK\$477 billion from its market value.

Local stocks have wavered in the new year, losing most of the 26.5 per cent rally driven by Beijing's stimulus blitz on September 24, amid concerns about president-elect Donald Trump's trade policies. The Hang Seng Index may rise by less than 10 per cent in 2025, hobbled by policy uncertainty, US-China tensions and slower US rate cuts, UBS said.

China's producer prices fell by 2.3 per cent from a year ago in December, marking the 27th consecutive month of decline, a government report on Thursday showed. Consumer prices increased 0.1 per cent, easing from a 0.2 per cent pace in November.

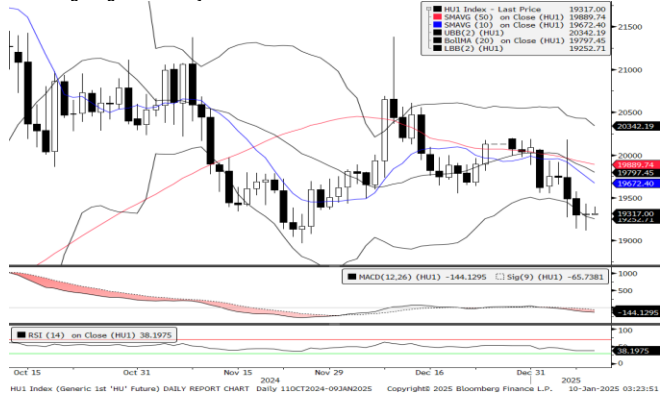
"Recent economic [trends] have stabilised but the momentum is not strong enough to generate upwards pressure on consumer prices yet," said Zhang Zhiwei, chief economist at Pinpoint Asset Management in Hong Kong. "The inflation outlook to a large extent depends on the effectiveness of the fiscal policy."

Two companies started trading in Hong Kong. Chemical firm Anhui Conch tumbled 48 per cent from its initial public offering price to HK\$1.57, while maritime services group Conticocean Environment Tech rose 6.3 per cent to HK\$33.80.

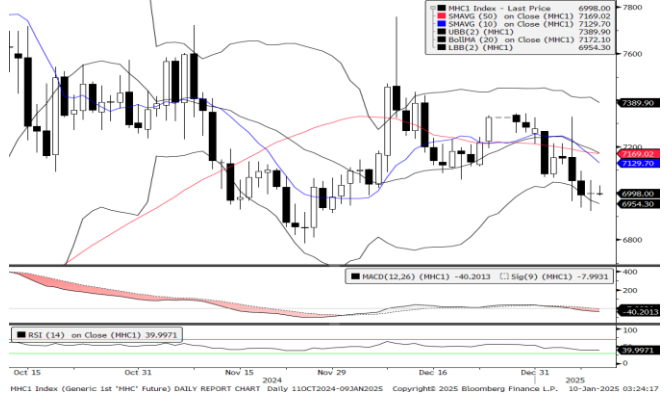
Other major Asian markets were mixed. Japan's Nikkei 225 slid 0.9 per cent and Australia's S&P/ASX 200 lost 0.2 per cent, while South Korea's Kospi rose less than 0.1 per cent.

(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 JAN 25 | 5 | 19306 | 19430 | 19114 |
| H. SENG FUT FEB 25 | 6 | 19355 | 19480 | 19178 |
| H. SENG FUT MAR 25 | 8 | 19344 | 19458 | 19199 |
| H. SENG FUT JUN 25 | 5 | 19262 | 19383 | 19150 |
| MINI H. SENG FUT JAN 25 | 5 | 19306 | 19432 | 19114 |
| MINI H. SENG FUT FEB 25 | 6 | 19355 | 19473 | 19170 |
| MINI H. SENG FUT MAR 25 | 8 | 19344 | 19468 | 19157 |
| MINI H. SENG FUT JUN 25 | 5 | 19262 | 19382 | 19094 |
| HSCEI FUT JAN 25 | 5 | 6998 | 7054 | 6922 |
| HSCEI FUT FEB 25 | 3 | 7018 | 7065 | 6997 |
| HSCEI FUT MAR 25 | 0 | 7039 | 7072 | 6972 |
| HSCEI FUT JUN 25 | 4 | 7023 | #N/A | #N/A |
| MINI HSCEI FUT JAN 25 | 5 | 6998 | 7055 | 6923 |
| MINI HSCEI FUT FEB 25 | 3 | 7018 | 7058 | 6950 |
| MINI HSCEI FUT MAR 25 | 0 | 7039 | 7084 | 6968 |
| MINI HSCEI FUT JUN 25 | 4 | 7023 | 7031 | 6974 |

| Major HSI Constituent Stocks | Close | Change | High | Low |
|-------------------------------------|-------|--------|-------|-------|
| *Alia Group Ltd | 53.05 | -0.75 | 53.5 | 52.9 |
| **Tencent Holdings Ltd | 373.4 | 4.2 | 379.4 | 365 |
| *HSBC Holdings PLC | 75.6 | -0.35 | 76.2 | 75.6 |
| **China Construction Bank Corp | 5.95 | -0.08 | 6.01 | 5.93 |
| **Ping An Insurance Group | 42.8 | -0.25 | 43.15 | 42.35 |
| **Meituan | 144.4 | -2.3 | 146.8 | 142.5 |
| *Hong Kong Exchanges & Clearing Ltd | 282 | -2 | 285.2 | 281.4 |
| **Alibaba Group Holdings Ltd | 80.6 | -0.3 | 81.6 | 80.45 |
| **Xiaomi Corp | 33.75 | 0.95 | 34.3 | 32.65 |
| *ICBC | 4.88 | -0.06 | 4.97 | 4.87 |

| Major HSCEI Constituent Stocks | Close | Change | High | Low |
|---------------------------------|-------|--------|-------|-------|
| *Wuxi Biologics Cayman Inc | 16.92 | 0.44 | 17.18 | 16.4 |
| **China Mobile Ltd | 75.25 | -0.05 | 76 | 74.9 |
| **Bank of China Ltd | 3.9 | -0.03 | 3.95 | 3.89 |
| *Techtronic Industries Co Ltd | 99.3 | 2.5 | 99.9 | 97 |
| *CK Hutchison Holdings Ltd | 40.5 | -0.05 | 40.75 | 40.35 |
| *Link REIT | 32.2 | -0.15 | 32.5 | 32.15 |
| *CLP Holding Ltd | 63.3 | -0.2 | 63.8 | 63.2 |
| **Geely Automobile Holdings Ltd | 13.96 | -0.02 | 14.28 | 13.82 |
| **CNOOC Ltd | 18.88 | -0.14 | 19.02 | 18.76 |
| **ANTA Sports Products Ltd | 78.6 | 3.35 | 80.05 | 77 |

| Global Equity Indices | Close | Change | High | Low |
|-----------------------|----------|---------|----------|----------|
| Hang Seng | 19240.89 | -38.95 | 19405.74 | 19227.73 |
| HSCEI | 6978.97 | -11.68 | 7048.45 | 6970.28 |
| Shanghai Comp Index | 3211.39 | -18.775 | 3228.972 | 3205.91 |
| Nikkei 225 | 39605.1 | -375.97 | 39930.07 | 39385.05 |
| KOSPI | 2521.9 | 0.85 | 2535.87 | 2515.82 |
| S&P/ASX200 | 8329.17 | -19.975 | 8349.1 | 8291.9 |
| DJIA | 0 | 0 | 0 | 0 |
| S&P 500 | 0 | 0 | 0 | 0 |
| NASDAQ | 0 | 0 | 0 | 0 |
| DAX | 20317.1 | -12.84 | 20360.38 | 20245.96 |
| CAC | 7490.28 | 0.51 | 7504.11 | 7413.15 |
| FTSE100 | 8319.69 | 68.66 | 8322.59 | 8243.15 |

Technical Analysis

Mini Hang Seng

| | | | |
|-----------------|----------|-----------------|-------|
| 1st Resistance: | 19596 | 2nd Resistance: | 19885 |
| 1st Support: | 19016 | 2nd Support: | 18727 |
| MACD: | -124.196 | | |
| MACD DIFF: | -77.9179 | | |
| RSI: | 37.86742 | | |

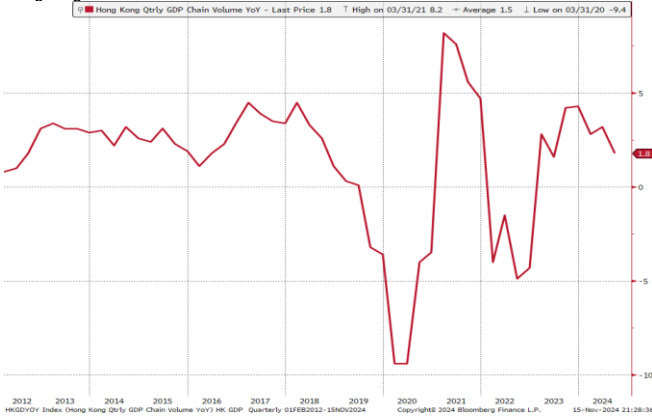
Mini Hang Seng China Enterprise

| | | | |
|-----------------|----------|-----------------|------|
| 1st Resistance: | 7103 | 2nd Resistance: | 7208 |
| 1st Support: | 6893 | 2nd Support: | 6788 |
| MACD: | -31.998 | | |
| MACD DIFF: | -32.002 | | |
| RSI: | 39.99296 | | |

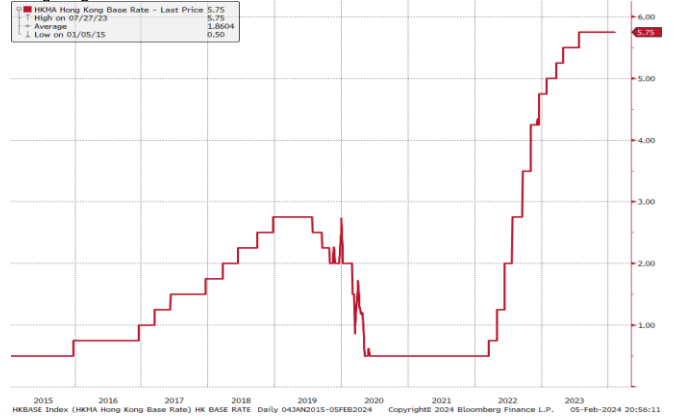
| Hong Kong Economic Releases | | Period | Survey | Actual | Prior | Revised |
|-----------------------------|--------------------------|--------|--------|--------|--------|---------|
| 01/02/2025 16:30 | Retail Sales Volume YoY | Nov | -5.40% | -8.30% | -4.90% | -4.80% |
| 01/02/2025 16:30 | Retail Sales Value YoY | Nov | -3.40% | -7.30% | -2.90% | -2.80% |
| 01/06/2025 08:30 | S&P Global Hong Kong PMI | Dec | -- | 51.1 | 51.2 | -- |
| 01/20/2025 16:30 | Unemployment Rate SA | Dec | -- | -- | 3.10% | -- |
| 01/21/2025 16:30 | CPI Composite YoY | Dec | -- | -- | 1.40% | -- |
| 01/28/2025 16:30 | Money Supply M1 HKD YoY | Dec | -- | -- | 1.60% | -- |
| 01/28/2025 16:30 | Money Supply M2 HKD YoY | Dec | -- | -- | 2.30% | -- |
| 01/28/2025 16:30 | Money Supply M3 HKD YoY | Dec | -- | -- | 2.40% | -- |

| China Economic Releases | | Period | Survey | Actual | Prior | Revised |
|-------------------------|----------------------------|--------|--------|--------|--------|---------|
| 01/02/2025 09:45 | Caixin China PMI Mfg | Dec | 51.7 | 50.5 | 51.5 | -- |
| 01/06/2025 09:45 | Caixin China PMI Composite | Dec | -- | 51.4 | 52.3 | -- |
| 01/06/2025 09:45 | Caixin China PMI Services | Dec | 51.4 | 52.2 | 51.5 | -- |
| 01/09/2025 09:30 | CPI YoY | Dec | 0.10% | 0.10% | 0.20% | -- |
| 01/09/2025 09:30 | PPI YoY | Dec | -2.40% | -2.30% | -2.50% | -- |
| 01/09/2025 01:15 | Money Supply M2 YoY | Dec | 7.20% | -- | 7.10% | -- |
| 01/09/2025 01:15 | Money Supply M1 YoY | Dec | -- | -- | -3.70% | -- |
| 01/09/2025 01:15 | Money Supply M0 YoY | Dec | -- | -- | 12.70% | -- |
| 01/17/2025 10:00 | GDP YoY | 4Q | -- | -- | 4.60% | -- |
| 01/17/2025 10:00 | GDP YTD YoY | 4Q | -- | -- | 4.80% | -- |
| 01/17/2025 10:00 | GDP SA QoQ | 4Q | -- | -- | 0.90% | -- |
| 01/17/2025 10:00 | Retail Sales YoY | Dec | -- | -- | 3.00% | -- |
| 01/17/2025 10:00 | Retail Sales YTD YoY | Dec | -- | -- | 3.50% | -- |
| 01/27/2025 09:30 | Composite PMI | Jan | -- | -- | 52.2 | -- |
| 01/27/2025 09:30 | Manufacturing PMI | Jan | -- | -- | 50.1 | -- |

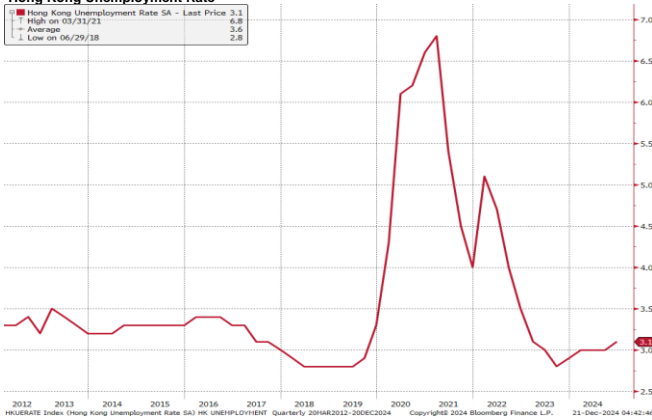
Hong Kong GDP Y on Y



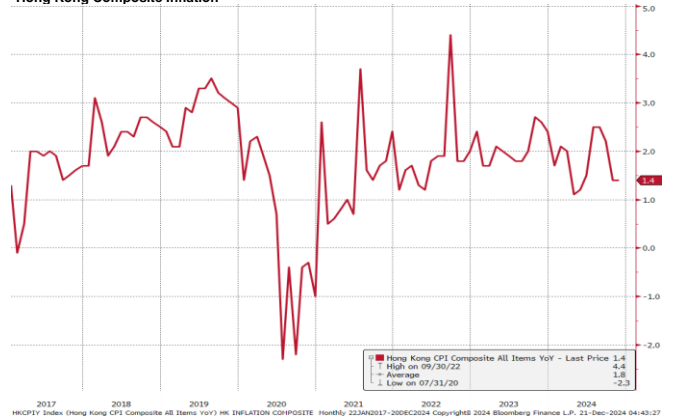
Hong Kong Base Interest Rate



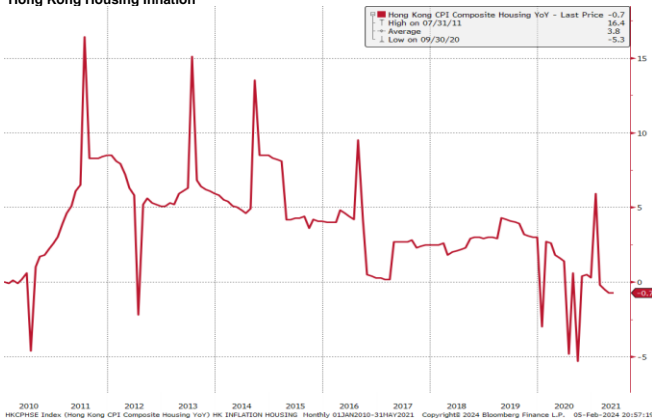
Hong Kong Unemployment Rate



Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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