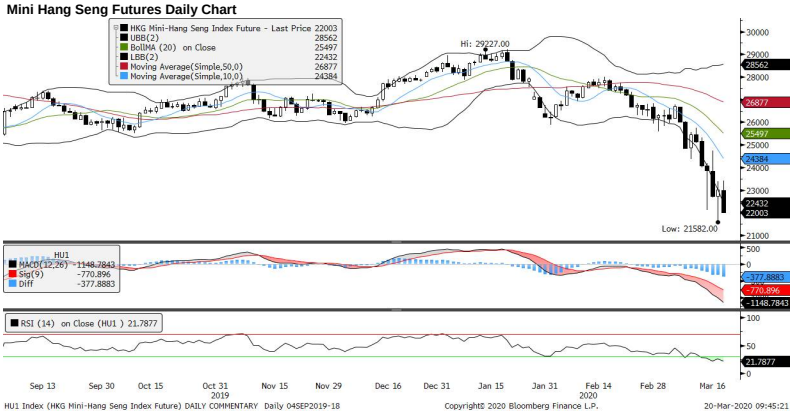
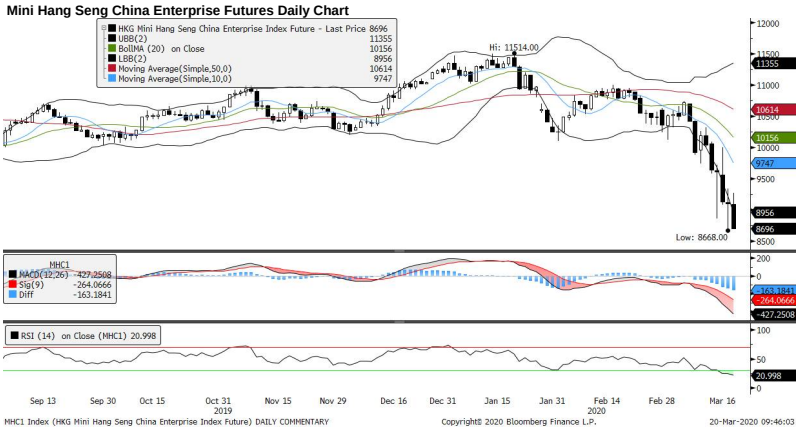
KENANGA FUTURES SDN BHD Company No. 353603-X

HONG KONG INDEX FUTURES DAILY PREVIEW
Date Prepared : 20/Mar/2020

Mini Hang Seng Futures Daily Chart



Mini Hang Seng China Enterprise Futures Daily Chart



Summary :

The Hang Seng Index fell for the second day, dropping 2.6 percent, or 582.69 to 21,709.13 in Hong Kong. The index dropped to the lowest closing level in at least a year. Today, finance stocks led the market lower, as all sectors lost; 42 of 50 shares fell, while 8 rose. AIA Group Ltd. contributed the most to the index decline, decreasing 5.7 percent. CK Infrastructure Holdings Ltd. had the largest drop, falling 12.6 percent.

Hong Kong's composite interest rate at the end of February fell 2 basis points to 0.99%, the Hong Kong Monetary Authority said in a statement.

As markets in New York, Sydney and London tumble in ways rarely seen before in history, trying to time a good entry point for stocks may seem like a futile exercise right now. But in Hong Kong, some investors are braving the unprecedented to do just that. Weeks of global market volatility have lashed the Hang Seng Index so much that it's trading below book value for only the third time in almost as many decades. In 2016 and 1998, that very multiple signaled the start of rallies that rewarded traders with returns of as much as 175% within two years. The gauge's 2.6% loss Thursday means traders are pricing firms' assets at 94% of their stated worth, just above a record low.

Stocks in Hong Kong and Taiwan tumbled to the lowest levels since 2016, while equities in China closed in on erasing a rebound that had added $1.3 trillion to the market's worth since February. In an escalating investor exodus, Hong Kong's Hang Seng Index slumped as much as 5.2% before halving that decline by the close. Taiwan's Taiex index tumbled 5.8%. Mainland stock markets fared much better, with the Shanghai Composite Index shedding 1%. The relative resilience of markets in Greater China is collapsing in the face of concern about a global economic recession, or worse. The U.S. dollar surged, with a gauge of the currency's strength jumping to the highest since it was first calculated daily in 2005. Increasingly extreme moves by central banks around the world have failed to stem the selling of assets.

The Shanghai Composite Index fell for the seventh day, dropping 1 percent, or 26.63 to 2,702.13 in Shanghai. The index dropped to the lowest closing level in at least a year. Industrial & Commercial Bank of China Ltd. contributed the most to the index decline, decreasing 2.4 percent. Tianfeng Securities Co. had the largest drop, falling 18.5 percent. Today, 667 of 1,548 shares fell, while 816 rose; 4 of 5 sectors were lower, led by conglomerate stocks.

The yuan rallied versus a basket of exchange rates, showing resilience as the coronavirus outbreak sends most emerging-market currencies tumbling. The Bloomberg replica of the CFETS RMB Index, which tracks the yuan against 24 trading-partner currencies, jumped 0.92% to 95.5. That's the biggest increase since the gauge was created more than four years ago in the aftermath of China's shock devaluation of the yuan.

Technical Analysis:

Hang Seng futures descended lower again on Thursday, closed with a 131.87 discount basis index point compared to the cash market. The market movement has formed the third long bottom shadow doji bar candle within market 5 trading session indicating selling momentum is decelerating and overdone. Nevertheless, this doesn't suggest that investor could establish longer term long position as overall market is still within bear domination. With that in mind, market is expected to trade range bound with some likelihood of technical rebound. Support and resistance is pegged between 21,000 and 23,000 respectively.

Contracts	Chg	Sett	High	Low	Volume	Open Int	O/I Chg
H. SENG FUT MAR 20	-162	21841	22366	20965	266530	124154	3163
H. SENG FUT APR 20	-157	21825	22300	20970	5225	13320	1262
H. SENG FUT JUN 20	-164	21480	21941	20700	3038	6974	-39
H. SENG FUT SEP 20	-151	21254	21701	20416	558	3615	298
MINI H. SENG FUT MAR 20	-162	21841	22367	20966	289194	10725	526
MINI H. SENG FUT APR 20	-157	21825	22339	20963	7655	2947	901
MINI H. SENG FUT JUN 20	-164	21480	21999	20677	1214	1655	-16
MINI H. SENG FUT SEP 20	-151	21254	21750	20400	749	541	27
HSCEI FUT MAR 20	-41	8655	8856	8252	256370	258074	13850
HSCEI FUT APR 20	-47	8653	8830	8252	7101	22504	3624
HSCEI FUT JUN 20	-49	8510	8674	8119	16024	41408	114
HSCEI FUT SEP 20	-34	8398	8513	8000	831	20670	-89
MINI HSCEI FUT MAR 20	-41	8655	8858	8251	51917	6895	92
MINI HSCEI FUT APR 20	-47	8653	8855	8250	2011	1080	84
MINI HSCEI FUT JUN 20	-49	8510	8687	8133	368	701	36
MINI HSCEI FUT SEP 20	-34	8398	8585	8023	280	631	-17

Historical Volatility	10 Days	30 Days	60 Days	90 Days
Hang Seng Futures	44.25	30.99	26.95	24.62
Mini Hang Seng Futures	44.23	30.99	26.95	24.63
HSCEI Futures	43.78	32.28	28.46	25.54
Mini HSCEI Futures	43.74	32.28	28.46	25.54

Global Equity Indices	Close	Change	High	Low	ATR(14)	SMA (10)	SMA (50)
Hang Seng	21,709.13	-582.690	22,380.34	21,139.26	918.98	24,048	26,822
HSCEI	8,559.64	-240.980	8,781.83	8,290.34	400.03	9,585	10,574
Shanghai Comp Index	2,702.13	-26.626	2,736.82	2,646.81	83.21	2,875	2,972
Nikkei 225	16,552.83	-173.720	17,160.97	16,358.19	878.32	18,302	22,223
KOSPI	1,457.64	-133.560	1,626.09	1,439.43	93.45	1,791	2,096
S&P/ASX200	4,782.94	-170.259	5,102.50	4,741.00	339.82	5,452	6,640
DJIA	20,087.19	188.270	20,442.63	19,177.13	1,664.86	22,409	27,270
S&P 500	2,409.39	11.290	2,466.97	2,319.78	186.74	2,626	3,133
NASDAQ	7,150.58	160.734	7,341.38	6,858.38	543.83	7,628	8,966
DAX	8,610.43	168.720	8,668.48	8,257.53	624.31	9,621	12,502
CAC	3,855.50	100.660	3,909.15	3,691.08	288.04	4,274	5,572
FTSE100	5,151.61	71.030	5,181.04	4,942.37	320.35	5,555	6,989

Economic Event		Period	Survey	Actual	Prior	Revised
03/02/2020 16:30	Retail Sales Value YoY	Jan	-20.80%	-21.40%	-19.40%	--
03/02/2020 16:30	Retail Sales Volume YoY	Jan	-22.10%	-23.00%	-21.00%	-0.211
03/04/2020 08:30	Markit Hong Kong PMI	Feb	--	33.1	46.8	--
03/06/2020 16:30	Foreign Reserves	Feb	--	$446.1b	$445.9b	$445.7b
03/17/2020 16:30	Unemployment Rate SA	Feb	3.60%	3.70%	3.40%	--
03/19/2020 16:34	Composite Interest Rate	Feb	--	0.99%	1.01%	--
03/23/2020 16:30	CPI Composite YoY	Feb	--	--	1.40%	--
03/24/2020 16:30	Industrial Production YoY	4Q	--	--	0.40%	--
03/26/2020 16:30	Exports YoY	Feb	--	--	-22.70%	--
03/26/2020 16:30	Imports YoY	Feb	--	--	-16.40%	--
03/26/2020 16:30	Trade Balance HKD	Feb	--	--	-30.6b	--
03/31/2020 16:30	Retail Sales Value YoY	Feb	--	--	-21.40%	--
03/31/2020 16:30	Retail Sales Volume YoY	Feb	--	--	-23.00%	--
04/03/2020 08:30	Markit Hong Kong PMI	Mar	--	--	33.1	--
04/07/2020	Foreign Reserves	Mar	--	--	$446.1b	--
04/17/2020 04/21	Composite Interest Rate	Mar	--	--	0.99%	--
04/20/2020 16:30	Unemployment Rate SA	Mar	--	--	3.70%	--
04/23/2020 16:30	CPI Composite YoY	Mar	--	--	--	--
04/27/2020 16:30	Exports YoY	Mar	--	--	--	--
04/27/2020 16:30	Imports YoY	Mar	--	--	--	--
04/27/2020 16:30	Trade Balance HKD	Mar	--	--	--	--
04/29/2020	Budget Balance HKD	Mar	--	--	--	--

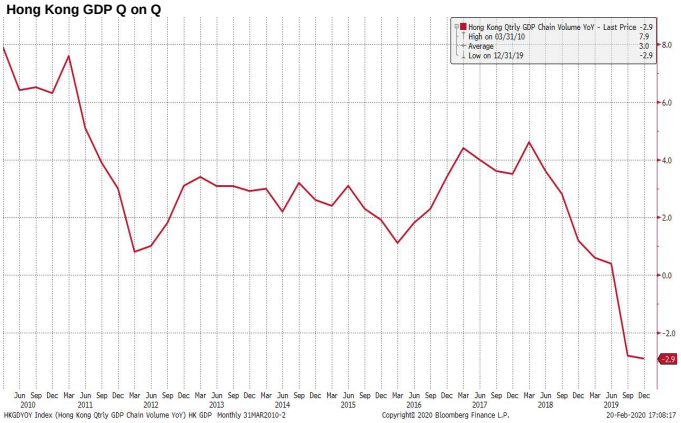
Heavyweight Counters Performance	Close	Change	High	Low	P/E	P/Book
*AIA Group Ltd	62.65	1.95	63	62.45	14.1606	1.6434
*HSBC Holdings PLC	45.45	0.85	45.65	44.95	19.1472	0.7155
*Hong Kong Exchanges & Clearing Ltd	218.4	5.4	220	217.2	28.4238	6.0814
*Link REIT	67.3	0.6	68	67.1	7.8844	0.7364
*CK Hutchison Holdings Ltd	46.4	0.85	47	46.25	4.4108	0.3783
*Hong Kong & China Gas Co Ltd	13.68	-0.9	13.8	13.02	35.409	3.8432
*CLP Holdings Ltd	69.5	-0.35	70.15	69.15	37.9146	1.6734
*CK Asset Holdings Ltd	36.1	1.7	37.2	35.7	4.3588	0.3691
*Sun Hung Kai Properties Ltd	95.6	1.3	97.5	94.35	6.855	0.4796
*Hang Seng Bank Ltd	132	2.6	133.5	130.6	9.9594	1.4808
**Ping An Insurance Group Co	72.2	0.6	72.8	72.15	7.8184	1.78
**Tencent Holdings Ltd	356.6	13.6	358.8	354.6	31.86	6.9325
**China Construction Bank Corp	6.05	0.09	6.13	6.03	5.2187	0.6634
**China Mobile Ltd	50.55	2.3	51.2	50.45	8.4781	0.8194
**ICBC	5.02	0.12	5.05	4.97	5.2081	0.661
**Bank of China Ltd	2.8	0.07	2.83	2.77	4.1546	0.3942
**CNOOC Ltd	6.83	0.43	6.88	6.75	4.5438	0.6071
**China Life Insurance Co Ltd	13.2	0.34	13.42	13.14	10.3082	0.9032
**China Petroleum & Chemical Corp	3.3	0.1	3.35	3.28	7.7685	0.4893
**China Resources Land Ltd	29.15	1.15	29.95	28.7	6.2802	1.2319

***** HSI Component; ** Hang Seng & HSCEI Compenent

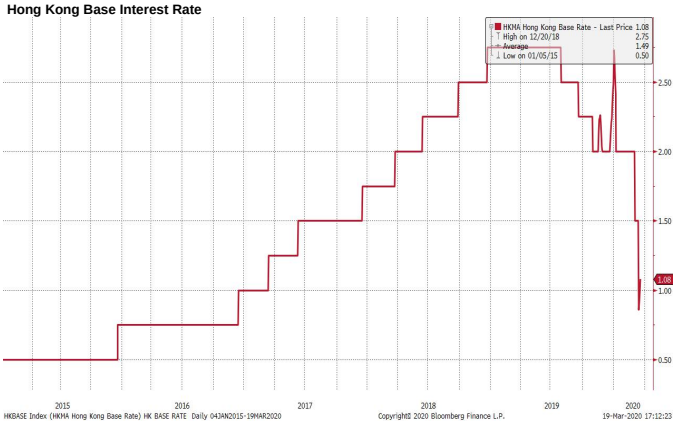
(Source: Bloomberg)

Pivotal Technical Levels :	Mini HSI Futures	Mini HSCEI Futures
R3	24526.6667	9802
R2	23125.6667	9195
R1	22483.3333	8925
Pivot	21724.6667	8588
S1	21082.3333	8318
S2	20323.6667	7981
S3	18922.6667	7374

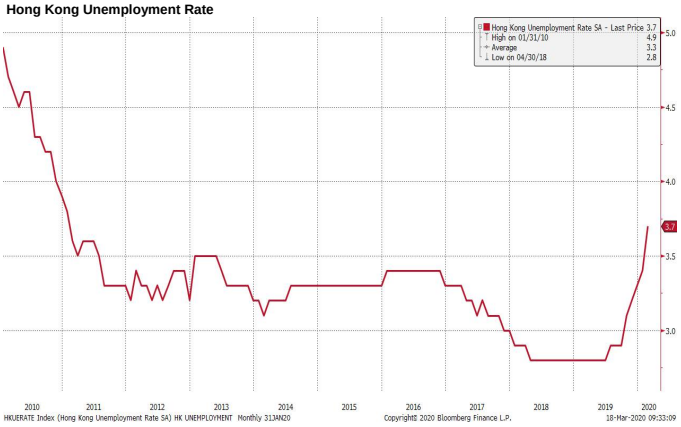
Hong Kong GDP Q on Q



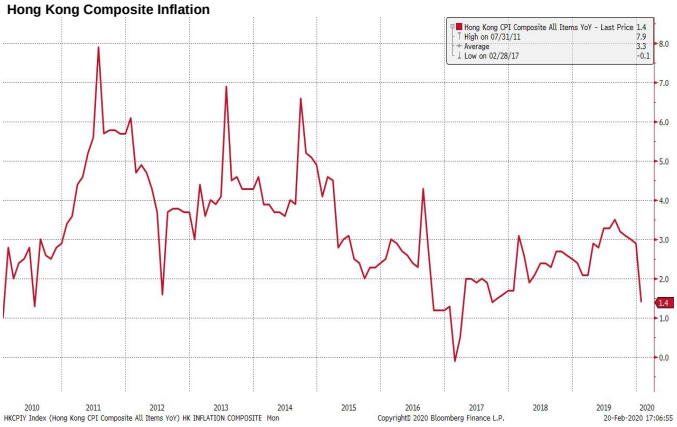
Hong Kong Base Interest Rate



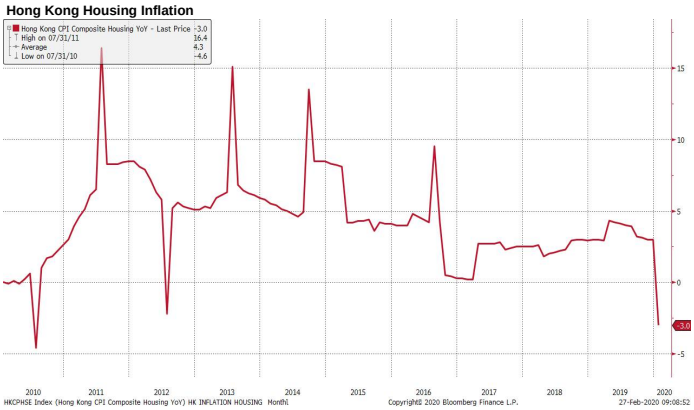
Hong Kong Unemployment Rate



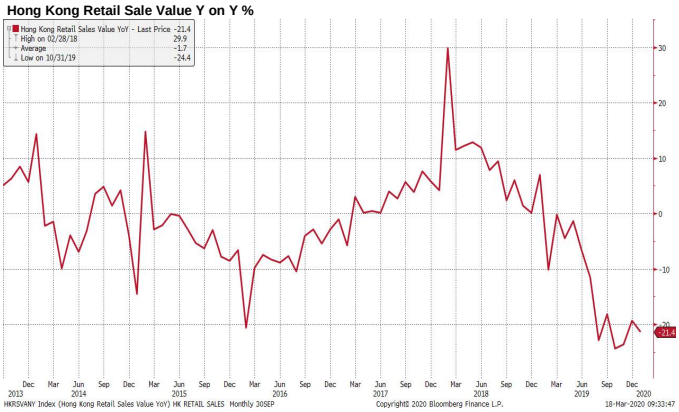
Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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