

Fundamentals:

Hong Kong stocks gained on speculation China will shore up efforts to support the economy amid Covid-19 disruptions, while concerns about global recession heightened after the Bank of Japan joined the global policy tightening path.

The Hang Seng Index rose 0.3 per cent to 19,160.49 at closing of trading on Wednesday, after rising as much as 0.8 per cent. The Tech Index added 0.7 per cent while the Shanghai Composite Index declined 0.2 per cent.

Tencent Holdings climbed 0.5 per cent to HK\$311 while Alibaba Group also added 0.5 per cent to HK\$84.45. Hanson Pharmaceutical surged 1 per cent to HK\$13.92, while WuXi Biologics jumped 2.5 per cent to HK\$51.25. Carmaker Xpeng soared 4.7 per cent to HK\$38.85.

Meanwhile, China's commerce minister has asked domestic companies to strengthen their supply chains amid Covid-19 disruptions, while other government officials called for measures to boost the nation's manufacturing and tech prowess. The lack of forceful measures from policymakers has been underwhelming, Saxo Markets said.

New Covid-19 infections in China rose to 3,049 on Wednesday from 2,656 on Tuesday, the National Health Commission reported.

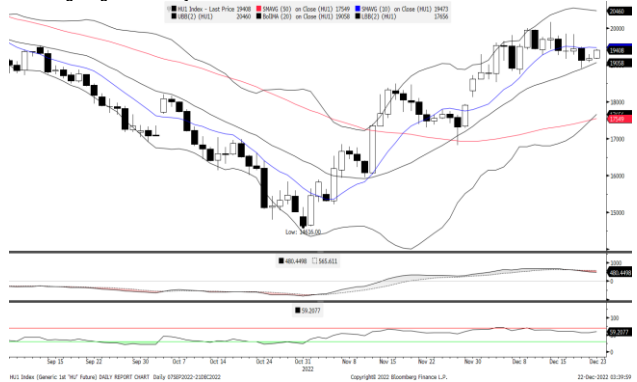
The Bank of Japan on Tuesday altered its dovish stance by allowing 10-year government bond yields to move within 50 basis points on either side of its zero target, versus 25 basis points previously. It marked the first change to the central bank's so-called yield-curve control since late 2016.

Yuanjie Semiconductor Technology was the sole debutant on Wednesday. The stock jumped 16 per cent to 116.42 yuan at the close of trading in Shanghai.

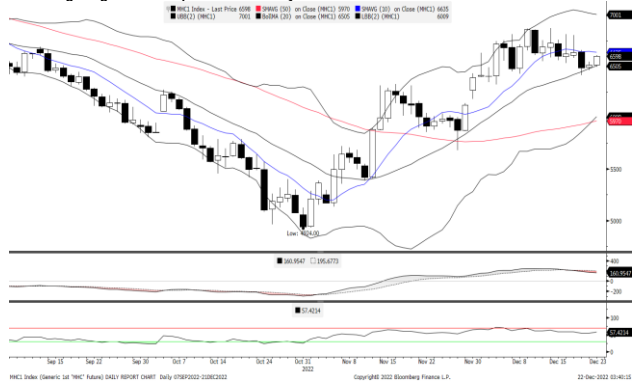
Markets in Asia-Pacific were mixed. The Nikkei 225 declined 0.7 per cent, after sliding on the Bank of Japan shocker on Tuesday. Equity benchmarks in Australia rose by 1.3 per cent and fell 0.2 per cent in South Korea.

(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 DEC 22 | 57 | 19181 | 19292 | 19080 |
| H. SENG FUT JAN 23 | 61 | 19278 | 19380 | 19169 |
| H. SENG FUT MAR 23 | 57 | 19336 | 19371 | 19240 |
| H. SENG FUT JUN 23 | 57 | 19273 | 19330 | 19198 |
| MINI H. SENG FUT DEC 22 | 57 | 19181 | 19293 | 19078 |
| MINI H. SENG FUT JAN 23 | 61 | 19278 | 19380 | 19168 |
| MINI H. SENG FUT MAR 23 | 57 | 19336 | 19427 | 19238 |
| MINI H. SENG FUT JUN 23 | 57 | 19273 | 19376 | 19187 |
| HSCEI FUT DEC 22 | 24 | 6511 | 6559 | 6463 |
| HSCEI FUT JAN 23 | 20 | 6545 | 6572 | 6498 |
| HSCEI FUT MAR 23 | 21 | 6599 | 6630 | 6565 |
| HSCEI FUT JUN 23 | 21 | 6588 | 6599 | 6592 |
| MINI HSCEI FUT DEC 22 | 24 | 6511 | 6545 | 6462 |
| MINI HSCEI FUT JAN 23 | 20 | 6545 | 6578 | 6496 |
| MINI HSCEI FUT MAR 23 | 21 | 6599 | 6625 | 6560 |
| MINI HSCEI FUT JUN 23 | 21 | 6588 | 6612 | 6550 |

| Major HSI Constituent Stocks | Close | Change | High | Low |
|-------------------------------------|-------|--------|-------|-------|
| *AIA Group Ltd | 84.3 | -0.35 | 85.3 | 83.8 |
| **Tencent Holdings Ltd | 311 | 1.6 | 313.2 | 308 |
| *HSBC Holdings PLC | 47.5 | 0.75 | 47.7 | 47.35 |
| **China Construction Bank Corp | 4.64 | 0.03 | 4.65 | 4.6 |
| **Ping An Insurance Group | 49.85 | 0.75 | 50.1 | 48.95 |
| **Meituan | 174.2 | -1.3 | 176.8 | 172.5 |
| *Hong Kong Exchanges & Clearing Ltd | 327.8 | 2.8 | 332 | 325.6 |
| **Alibaba Group Holdings Ltd | 84.45 | 0.4 | 85.4 | 83.7 |
| **Xiaomi Corp | 10.56 | 0 | 10.68 | 10.38 |
| **ICBC | 3.82 | 0.03 | 3.84 | 3.78 |

| Major HSCEI Constituent Stocks | Close | Change | High | Low |
|---------------------------------|-------|--------|-------|-------|
| *Wuxi Biologics Cayman Inc | 51.25 | 1.25 | 52.2 | 50 |
| **China Mobile Ltd | 51.3 | 0.4 | 51.5 | 50.95 |
| **Bank of China Ltd | 2.76 | 0.01 | 2.77 | 2.74 |
| *Techtronic Industries Co Ltd | 87.6 | -1.9 | 90 | 87.05 |
| *CK Hutchison Holdings Ltd | 45.5 | -0.3 | 46.05 | 45.3 |
| *Link REIT | 55.15 | 0.15 | 55.3 | 54.7 |
| *CLP Holding Ltd | 55.35 | -0.3 | 55.95 | 55.15 |
| **Geely Automobile Holdings Ltd | 11.56 | -0.06 | 11.72 | 11.44 |
| **CNOOC Ltd | 9.82 | -0.05 | 9.93 | 9.71 |
| **ANTA Sports Products Ltd | 97.6 | -0.15 | 98.95 | 97 |

| Global Equity Indices | Close | Change | High | Low |
|-----------------------|----------|---------|---------|----------|
| Hang Seng | 19160.49 | 65.69 | 19255.7 | 19063.3 |
| HSCEI | 6500.18 | 27.89 | 6524.03 | 6452.07 |
| Shanghai Comp Index | 3068.41 | -5.356 | 3085.8 | 3060.554 |
| Nikkei 225 | 26387.7 | -180.31 | 26616.3 | 26269.8 |
| KOSPI | 2328.95 | -4.34 | 2347 | 2325.78 |
| S&P/ASX200 | 7115.09 | 90.822 | 7139.1 | 7024.3 |
| DJIA | 33376.5 | 526.74 | 33437.8 | 33028.09 |
| S&P 500 | 3878.44 | 56.82 | 3889.82 | 3839.49 |
| NASDAQ | 10709.4 | 162.26 | 10753.6 | 10569.2 |
| DAX | 14097.8 | 213.16 | 14099.8 | 13912.17 |
| CAC | 6580.24 | 2.01 | 6596.48 | 6467.57 |
| FTSE100 | 7497.32 | 126.7 | 7498.48 | 7368.72 |

Technical Analysis

Mini Hang Seng

| | | | |
|-----------------|----------|-----------------|-------|
| 1st Resistance: | 19469 | 2nd Resistance: | 19756 |
| 1st Support: | 18893 | 2nd Support: | 18606 |
| MACD: | 503.499 | | |
| MACD DIFF: | -83.4748 | | |
| RSI: | 56.6739 | | |

Mini Hang Seng China Enterprise

| | | | |
|-----------------|---------|-----------------|------|
| 1st Resistance: | 6609 | 2nd Resistance: | 6706 |
| 1st Support: | 6413 | 2nd Support: | 6316 |
| MACD: | 169.958 | | |
| MACD DIFF: | -34.430 | | |
| RSI: | 54.843 | | |

Strategy:

| Mini Hang Seng: | | Long: Profit target: | Stop-loss: | Long: Profit target: | Stop-loss: |
|-----------------|-------|----------------------|------------|----------------------|------------|
| 18893 | 19082 | 18799 | 18606 | 18792 | 18513 |

| Short: Profit target: | | Stop-loss: | Short: Profit target: | Stop-loss: |
|-----------------------|-------|------------|-----------------------|------------|
| 19469 | 19274 | 19566 | 19756 | 19559 |
| | | | 19855 | 19855 |

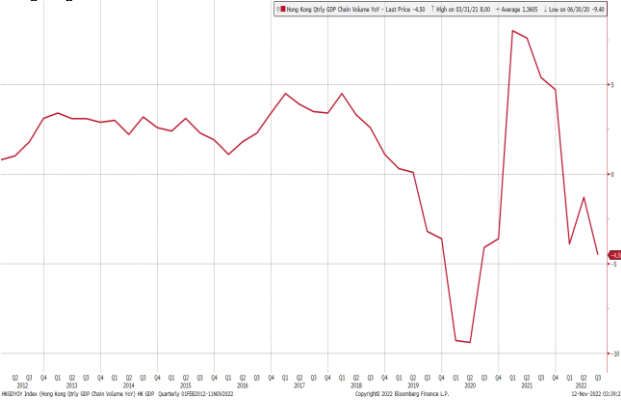
| Mini Hang Seng China Enterprise: | | Long: Profit target: | Stop-loss: | Long: Profit target: | Stop-loss: |
|----------------------------------|------|----------------------|------------|----------------------|------------|
| 6413 | 6477 | 6381 | 6316 | 6379 | 6284 |

| Short: Profit target: | | Stop-loss: | Short: Profit target: | Stop-loss: |
|-----------------------|------|------------|-----------------------|------------|
| 6609 | 6543 | 6642 | 6706 | 6639 |
| | | | 6740 | 6740 |

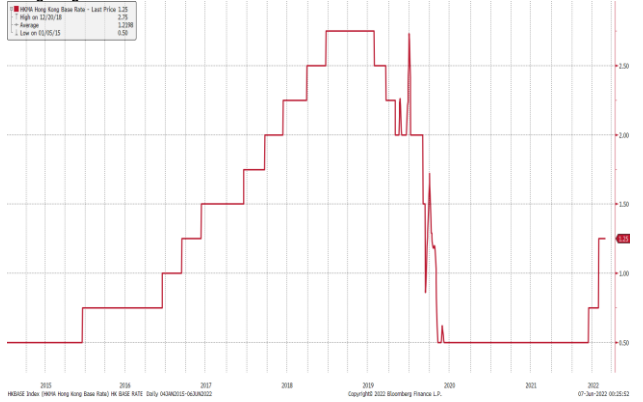
| Hong Kong Economic Releases | | Period | Survey | Actual | Prior | Revised |
|-----------------------------|-----------------------------|--------|---------|------------|------------|----------|
| 12/21/2022 16:30 | BoP Current Account Balance | 3Q | -- | \$115.84b | \$30.90b | \$30.04b |
| 12/21/2022 16:30 | BoP Overall | 3Q | -- | -\$138.39b | -\$159.81b | -- |
| 12/29/2022 16:30 | Exports YoY | Nov | -14.70% | -- | -10.40% | -- |
| 12/29/2022 16:30 | Imports YoY | Nov | -13.00% | -- | -11.90% | -- |
| 12/29/2022 16:30 | Trade Balance HKD | Nov | -- | -- | -20.9b | -- |

| China Economic Releases | | Period | Survey | Actual | Prior | Revised |
|-------------------------|---------------------------------------|--------|--------|--------|--------|---------|
| 12/22/2022 09:00 | Swift Global Payments CNY | Nov | -- | -- | 2.13% | -- |
| 12/21/2022 12:23 | FDI YTD YoY CNY | Nov | -- | -- | 14.40% | -- |
| 12/23/2022 10:35 | China Plans to Sell CNY 182-Day Bills | | | | | |
| 12/27/2022 09:30 | Industrial Profits YTD YoY | Nov | -- | -- | -3.00% | -- |
| 12/27/2022 09:30 | Industrial Profits YoY | Nov | -- | -- | -- | -- |

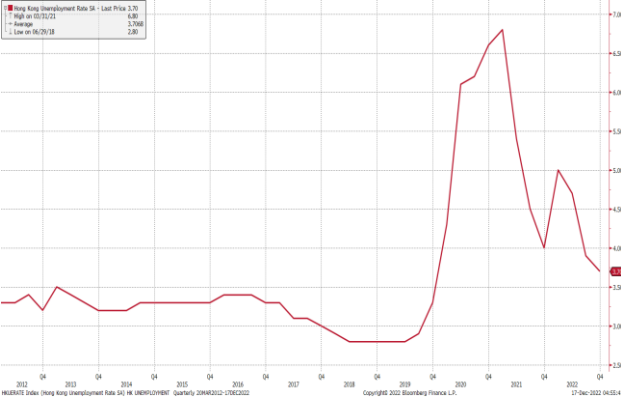
Hong Kong GDP Q on Q



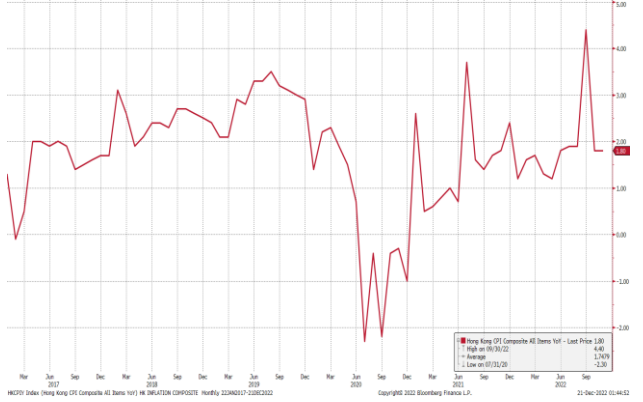
Hong Kong Base Interest Rate



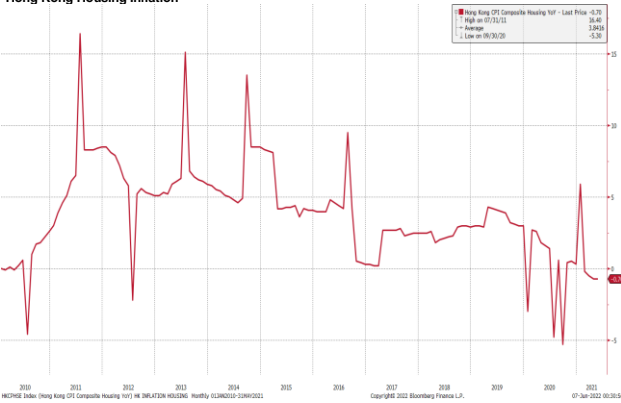
Hong Kong Unemployment Rate



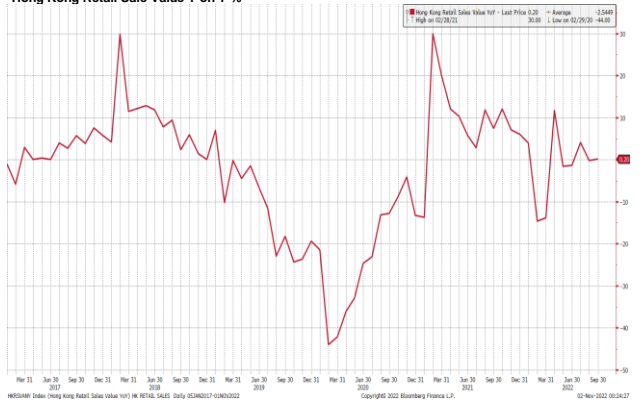
Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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