

Fundamentals:

Hong Kong stocks retreated as traders await policy stimulus signals from China's most important political gatherings later this week while Xpeng and Weibo advanced pending their index inclusion next month. Higher US rate outlook weighed on sentiment.

The Hang Seng Index fell 0.3 per cent to 19,943.51 on Monday, the lowest closing level this year following a four-week losing streak. The Tech Index dropped 0.5 per cent while the Shanghai Composite Index lost 0.3 per cent.

Carmaker BYD tumbled 3 per cent to HK\$216.20, Xiaomi slid 0.8 per cent to HK\$11.90, while Galaxy Entertainment led losses among Macau casino operators with a 2.1 per cent slide to HK\$52.15. Alibaba Group dropped 0.8 per cent to HK\$89.30 while JD.com lost 0.6 per cent to HK\$177.30.

The National People's Congress and the Chinese People's Political Consultative Conference will hold their annual meetings – known as the "two sessions" – in Beijing from March 4 with analysts and money managers pinning their hopes on more policy stimulus as the China reopening play lost momentum this month.

The Hang Seng Index has slumped for four straight weeks into a technical correction of more than 10 per cent from its recent peak on January 27. More than US\$452 billion of market capitalisation has been erased from the city's stock market in the process.

Foreign investors withdrew from the Chinese market last week by selling almost US\$600 million worth of A shares, according to Goldman Sachs. Hedge funds have also been reducing their net exposure in the past few weeks after chasing the market through the late 2022 rally, the US bank said.

Elsewhere, Weibo gained 0.9 per cent to HK\$161.80 after the city's index compiler added the microblogging site operator to the Tech Index. Xpeng gained 0.3 per cent to HK\$34.85 before the car maker joins the Hang Seng China Enterprises Index. The changes will be from March 13, following a quarterly review.

Chuzhou Duoli Automotive Technology surged 44 per cent to 89.09 yuan on its first day of trading in Shenzhen.

Asian shares slipped, tracking steep losses on Wall Street last Friday. Concerns are growing that the Federal Reserve will tighten more aggressively in coming meetings amid stronger consumer prices. South Korea's Kospi lost 0.9 per cent and the S&P ASX 200 in Australia retreated 1.1 per cent, while the Nikkei 225 fell 0.1 per cent.

(Source: South China Morning Post)

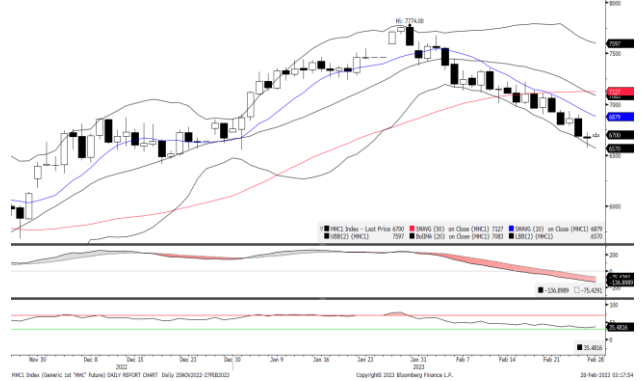
HONG KONG INDEX FUTURES DAILY PREVIEW

Date Prepared : 28/Feb/2023

Mini Hang Seng Futures Daily Chart



Mini Hang Seng China Enterprise Futures Daily Chart



Contracts	Chg	Sett	High	Low
H. SENG FUT FEB 23	-47	19918	20048	19666
H. SENG FUT MAR 23	-33	19916	20073	19664
H. SENG FUT JUN 23	-36	19846	20000	19600
H. SENG FUT SEP 23	-47	19918	20048	19666
MINI H. SENG FUT FEB 23	-47	19918	20047	19666
MINI H. SENG FUT MAR 23	-33	19916	20073	19663
MINI H. SENG FUT JUN 23	-36	19846	20000	19600
MINI H. SENG FUT SEP 23	-47	19918	20047	19666
HSCEI FUT FEB 23	-15	6670	6727	6572
HSCEI FUT MAR 23	-24	6689	6764	6600
HSCEI FUT JUN 23	-25	6669	6727	6600
HSCEI FUT SEP 23	-15	6670	6727	6572
MINI HSCEI FUT FEB 23	-15	6670	6727	6574
MINI HSCEI FUT MAR 23	-24	6689	6765	6601
MINI HSCEI FUT JUN 23	-25	6669	6828	6585
MINI HSCEI FUT SEP 23	-15	6670	6727	6574

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	82.15	0.95	82.4	79.25
**Tencent Holdings Ltd	349.4	0	354.4	342.8
*HSBC Holdings PLC	59.05	-0.5	59.45	58.15
**China Construction Bank Corp	4.85	-0.03	4.89	4.82
**Ping An Insurance Group	53.5	-0.65	54.3	53.15
**Meituan	136.2	1.8	138.8	132.1
*Hong Kong Exchanges & Clearing Ltd	318.6	-0.8	321	313
**Alibaba Group Holdings Ltd	89.4	-0.65	92.15	87.75
**Xiaomi Corp	11.86	-0.14	12	11.64
**ICBC	3.95	-0.04	3.99	3.93

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	53.45	0.15	54.1	52.15
**China Mobile Ltd	57.3	-0.65	58.45	57.1
**Bank of China Ltd	2.9	-0.01	2.92	2.9
*Techtronic Industries Co Ltd	79	0.75	79.65	77.55
*CK Hutchison Holdings Ltd	47.15	-0.4	47.75	46.9
*Link REIT	50.85	0.75	51.3	50.05
*CLP Holding Ltd	55.7	-0.8	56.8	55.5
**Geely Automobile Holdings Ltd	10.72	-0.08	10.84	10.56
**CNOOC Ltd	11.16	-0.22	11.4	11.12
**ANTA Sports Products Ltd	103.8	0.8	104.9	101.2

Global Equity Indices	Close	Change	High	Low
Hang Seng	19943.51	-66.53	20086.5	19804.56
HSCEI	6670.22	-33.23	6743.89	6628.69
Shanghai Comp Index	3258.03	-9.126	3276.58	3251.721
Nikkei 225	27424	-29.52	27456.2	27292.74
KOSPI	2402.64	-20.97	2405.56	2383.76
S&P/ASX200	7224.81	-82.221	7307	7193.4
DJIA	32889.1	72.17	33189.3	32814.18
S&P 500	3982.24	12.2	4018.05	3973.55
NASDAQ	11467	72.04	11565.2	11444.6
DAX	15381.4	171.69	15481.1	15351.63
CAC	7295.55	1.51	7324.03	7243.03
FTSE100	7935.11	56.45	7949.97	7878.66

Technical Analysis

Mini Hang Seng

1st Resistance:	20217	2nd Resistance:	20516
1st Support:	19619	2nd Support:	19320
MACD:	-305.781		
MACD DIFF:	-181.17		
RSI:	32.4429		

Mini Hang Seng China Enterprise

1st Resistance:	6770	2nd Resistance:	6870
1st Support:	6570	2nd Support:	6470
MACD:	-127.430		
MACD DIFF:	-67.314		
RSI:	33.915		

Strategy:

Mini Hang Seng:

Long: Profit target:	19619	Stop-loss:	19815	19521	Long: Profit target:	19320	Stop-loss:	19514	19224
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Short: Profit target:	20217	Stop-loss:	20015	20318	Short: Profit target:	20516	Stop-loss:	20310	20618
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Mini Hang Seng China Enterprise:

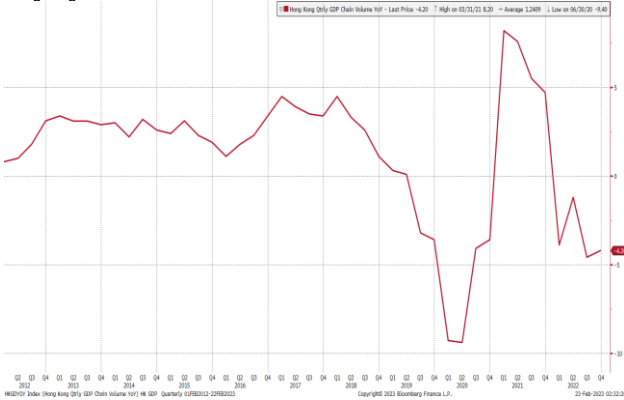
Long: Profit target:	6570	Stop-loss:	6636	6537	Long: Profit target:	6470	Stop-loss:	6535	6438
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Short: Profit target:	6770	Stop-loss:	6702	6804	Short: Profit target:	6870	Stop-loss:	6801	6904
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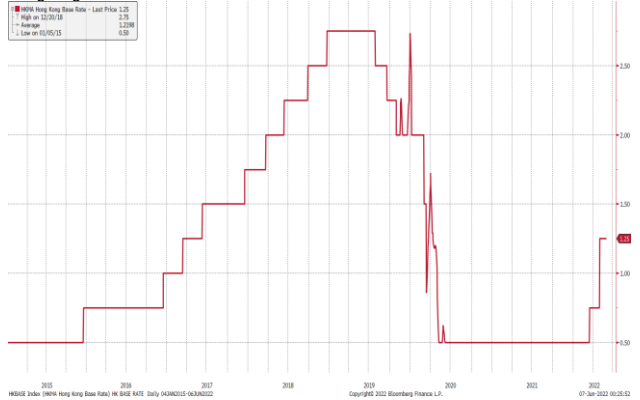
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
02/27/2023 16:30	Exports YoY	Jan	-27.60%	-36.70%	-28.90%	-23.50%
02/27/2023 16:30	Imports YoY	Jan	-23.10%	-30.20%	-23.50%	--
02/27/2023 16:30	Trade Balance HKD	Jan	-17.0b	-25.4b	-51.6b	--
02/28/2023 16:30	Budget Balance HKD	Jan	--	--	87.1b	--
02/28/2023	Money Supply M3 HKD YoY	Jan	--	--	0.60%	--
02/28/2023	Money Supply M2 HKD YoY	Jan	--	--	0.60%	--
02/28/2023	Money Supply M1 HKD YoY	Jan	--	--	-17.80%	--
03/02/2023 16:30	Retail Sales Value YoY	Jan	4.50%	--	1.10%	--
03/02/2023 16:30	Retail Sales Volume YoY	Jan	2.20%	--	-0.70%	--
03/03/2023 08:30	S&P Global Hong Kong PMI	Feb	--	--	51.2	--
03/07/2023	Foreign Reserves	Feb	--	--	\$436.9b	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
03/01/2023 09:30	Composite PMI	Feb	--	--	52.9	--
03/01/2023 09:30	Manufacturing PMI	Feb	50.7	--	50.1	--
03/01/2023 09:30	Non-manufacturing PMI	Feb	54.9	--	54.4	--
03/01/2023 09:45	Cixin China PMI Mfg	Feb	50.8	--	49.2	--
03/03/2023 09:45	Cixin China PMI Composite	Feb	--	--	51.1	--
03/03/2023 09:45	Cixin China PMI Services	Feb	54.1	--	52.9	--
03/07/2023	Exports YTD YoY	Feb	--	--	--	16.10%
03/07/2023	Trade Balance YTD	Feb	--	--	--	\$109.54b
03/07/2023	Imports YTD YoY	Feb	--	--	--	--
03/07/2023	Exports YTD YoY CNY	Feb	--	--	--	--
03/07/2023	Imports YTD YoY CNY	Feb	--	--	--	--
03/07/2023	Trade Balance YTD CNY	Feb	--	--	--	--
03/07/2023	Foreign Reserves	Feb	--	--	\$3184.46b	--

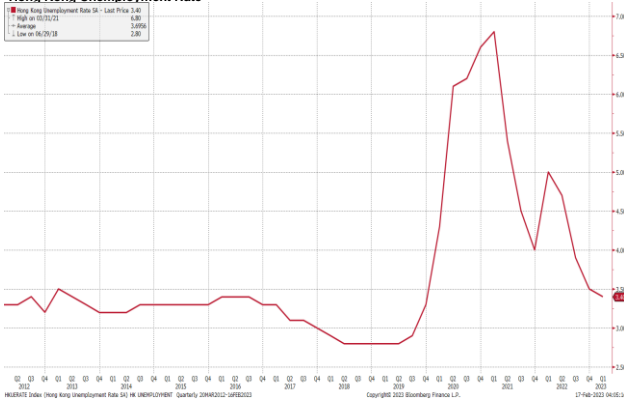
Hong Kong GDP Q on Q



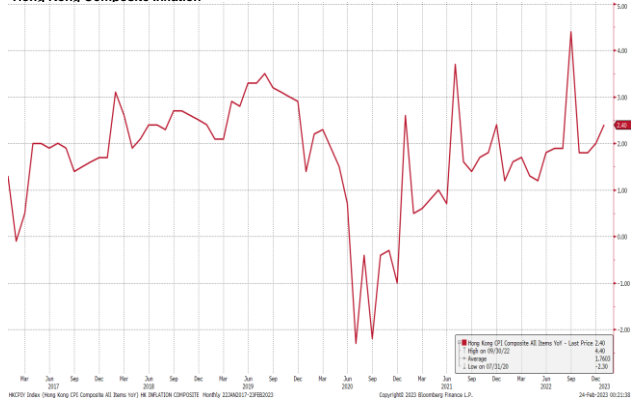
Hong Kong Base Interest Rate



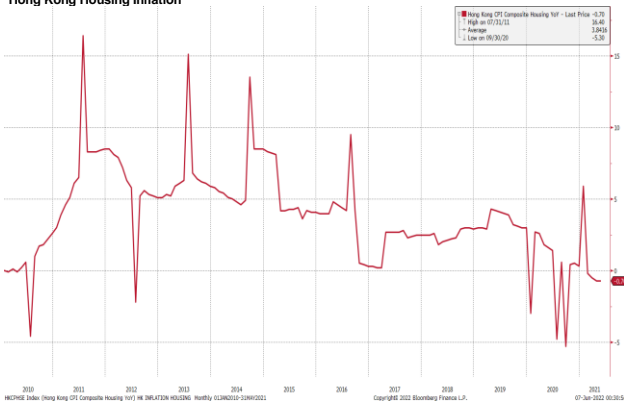
Hong Kong Unemployment Rate



Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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