

Fundamentals:

Hong Kong stocks suffered the worst month since October 2008, as a 24 per cent slump in developer Longfor Group abetted losses. A government report showed China's economy cooled this month and concerns about new Covid-19 snap lockdowns revived.

The Hang Seng Index fell 1.2 per cent to 14,687.02 at the close of Monday trading, bringing the setback this month to 14.7 per cent. The Tech Index rose 1 per cent on Monday trading, narrowing from a 3.5 per cent surge. The Shanghai Composite Index ended 0.8 per cent weaker to end with a fourth successive month of losses.

Longfor Group crashed by about a quarter to HK\$9.99 after its billionaire co-founder Wu Yajun stepped down from key positions, citing health among other reasons. The plunge erased about US\$2.5 billion from its market value. Country Garden tumbled 9.8 per cent to HK\$1.01, while all 12 index members in the property industry retreated 4.3 per cent on average.

That blemished a rally in tech stocks. Tencent leapt 2.8 per cent to HK\$206.40 while Meituan advanced 3.4 per cent to HK\$125.90. BYD surged 6.2 per cent to HK\$175.90 after reporting record-high earnings in the third quarter.

The Hang Seng Index completed a 14.7 per cent drop in October after China's top leadership reshuffle fanned worries about market-unfriendly policies. That brought the setback this year to 37 per cent, which erases over US\$1.8 trillion from the city's stock market.

Elsewhere, China's factory and services activity both contracted in October, the statistics bureau said on Monday, pointing to a further loss of momentum as coronavirus disruptions worsened and export orders remained under pressure.

Covid-19 cases jumped above 2,500, the most in almost three months, official data showed. Two new coronavirus cases were found this month in Macau, prompting the government to require all residents to take daily tests, while MGM China's Cotai resort was locked down.

Workers are fleeing terrible living conditions at Foxconn's iPhone assembly factory in Zhengzhou while the Disneyland park in Shanghai closed its doors.

The Federal Reserve is seen raising its key rate by 75 basis points at its policy meeting later this week, according to Fed fund futures, to combat elevated inflation.

Four stocks debuted on Monday. Long Young Electronic dropped 6.9 per cent to 20.94 yuan, while Shaanxi Meineng Clean Energy surged 44 per cent to 15.39 yuan and Shenzhen Best of Best Holdings gained 20 per cent to 42.37 yuan in Shenzhen. Textile testing firm Tianfangbiao Standardization lost 2 per cent to 9.8 yuan in Beijing.

Asians stocks rallied on Monday, with Nikkei 225 jumping 1.8 per cent in Japan and the benchmarks advancing over 1.1 per cent in South Korea and Australia.

(Source: South China Morning Post)

HONG KONG INDEX FUTURES DAILY PREVIEW

Date Prepared : 01/Nov/2022

Mini Hang Seng Futures Daily Chart



Mini Hang Seng China Enterprise Futures Daily Chart



Technical Analysis

Mini Hang Seng

1st Resistance:	14857	2nd Resistance:	15076
1st Support:	14417	2nd Support:	14198
MACD:	-830.134		
MACD DIFF:	-104.221		
RSI:	23.3772		

Mini Hang Seng China Enterprise

1st Resistance:	5013	2nd Resistance:	5087
1st Support:	4865	2nd Support:	4791
MACD:	-299.466		
MACD DIFF:	-38.384		
RSI:	24.577		

Strategy:

Mini Hang Seng:	Long: Profit target:	Stop-loss:	Long: Profit target:	Stop-loss:
	14417	14562 14345	14198	14340 14127

	Short: Profit target:	Stop-loss:	Short: Profit target:	Stop-loss:
	14857	14708 14931	15076	14925 15151

Mini Hang Seng China Enterprise:	Long: Profit target:	Stop-loss:	Long: Profit target:	Stop-loss:
	4865	4914 4841	4791	4839 4767

	Short: Profit target:	Stop-loss:	Short: Profit target:	Stop-loss:
	5013	4963 5038	5087	5036 5113

Contracts	Chg	Sett	High	Low
H. SENG FUT NOV 22	-254	14637	15144	14615
H. SENG FUT DEC 22	-254	14685	15173	14681
H. SENG FUT MAR 23	-247	14792	15200	14860
H. SENG FUT JUN 23	-245	14694	#N/A	#N/A
MINI H. SENG FUT NOV 22	-254	14637	15144	14616
MINI H. SENG FUT DEC 22	-254	14685	15197	14676
MINI H. SENG FUT MAR 23	-247	14792	15300	14788
MINI H. SENG FUT JUN 23	#N/A	N/A	14694	15128
HSCEI FUT NOV 22	-107	4939	5123	4924
HSCEI FUT DEC 22	-104	4960	5135	4956
HSCEI FUT MAR 23	-105	5028	5165	5061
HSCEI FUT JUN 23	-114	5004	5015	5015
MINI HSCEI FUT NOV 22	-107	4939	5123	4924
MINI HSCEI FUT DEC 22	-104	4960	5124	4950
MINI HSCEI FUT MAR 23	-105	5028	5205	5017
MINI HSCEI FUT JUN 23	#N/A	N/A	5004	5136

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	59.45	1.5	60.3	57.25
**Tencent Holdings Ltd	205.6	4.8	216.6	199
*HSBC Holdings PLC	40.25	0.2	41.15	39.7
**China Construction Bank Corp	4.17	-0.2	4.37	4.16
**Ping An Insurance Group	31.4	-1.05	33	31.3
**Meituan	124.8	3	130.8	118.8
*Hong Kong Exchanges & Clearing Ltd	209	-5.8	215.8	208.2
**Alibaba Group Holdings Ltd	61.45	-0.3	64.55	60.3
**Xiaomi Corp	8.81	0.09	9.14	8.6
**ICBC	3.41	-0.19	3.64	3.4

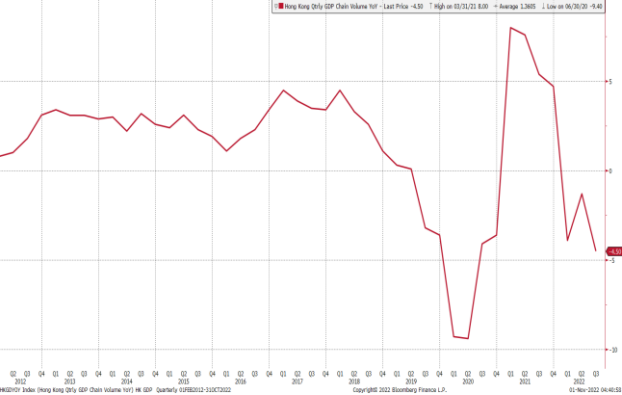
Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	35.5	-3.3	38.2	35
**China Mobile Ltd	47.25	-0.9	48.25	46.8
**Bank of China Ltd	2.53	-0.07	2.62	2.53
*Techtronic Industries Co Ltd	74.35	-2.95	77.95	74.35
*CK Hutchison Holdings Ltd	39	-0.95	40.15	38.75
*Link REIT	46.4	-2.05	48.35	46.3
*CLP Holding Ltd	52.7	-0.7	54.3	52.6
**Geely Automobile Holdings Ltd	8.44	0.02	8.76	8.3
**CNOOC Ltd	9.36	-0.41	9.85	9.28
**ANTA Sports Products Ltd	69	-2.75	72.45	67.9

Global Equity Indices	Close	Change	High	Low
Hang Seng	14687.02	-176.04	15113.2	14597.31
HSCEI	4938.56	-90.42	5104.48	4919.03
Shanghai Comp Index	2893.48	-22.443	2926.02	2885.089
Nikkei 225	27587.5	482.26	27603	27392.99
KOSPI	2293.61	25.21	2295.51	2273.73
S&P/ASX200	6863.46	77.739	6869.2	6785.7
DJIA	32733	-128.85	32883.9	32586.93
S&P 500	3871.98	-29.08	3893.73	3863.18
NASDAQ	10988.2	-114.3	11047.9	10914
DAX	13253.7	10.41	13307.1	13216.48
CAC	6266.77	-0.1	6293.15	6244.08
FTSE100	7094.53	46.86	7132.85	7030.12

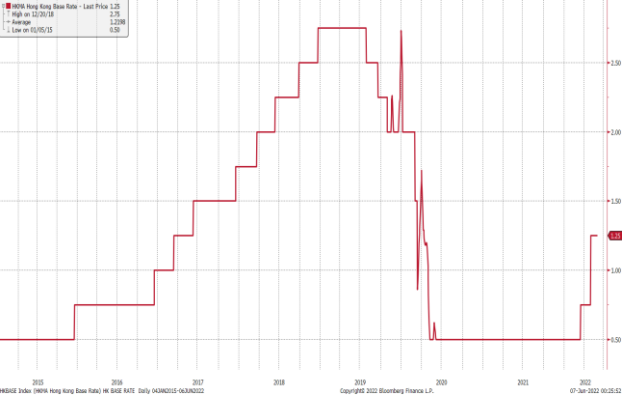
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
10/31/2022 16:30	GDP YoY	3Q A	-0.80%	-4.50%	-1.30%	--
10/31/2022 16:30	GDP SA QoQ	3Q A	1.30%	-2.60%	1.00%	--
10/31/2022 17:00	Money Supply M2 HKD YoY	Sep	--	-0.80%	0.70%	--
10/31/2022 17:00	Money Supply M1 HKD YoY	Sep	--	-11.40%	-6.00%	--
10/31/2022 17:00	Money Supply M3 HKD YoY	Sep	--	-0.80%	0.70%	--
10/31/2022 18:06	Budget Balance HKD	Sep	--	-70.0b	-48.6b	--
11/01/2022 16:30	Retail Sales Value YoY	Sep	1.70%	--	-0.10%	--
11/01/2022 16:30	Retail Sales Volume YoY	Sep	-0.30%	--	-2.90%	--
11/03/2022 08:30	S&P Global Hong Kong PMI	Oct	--	--	48	--
11/07/2022	Foreign Reserves	Oct	--	--	\$419.2b	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
10/31/2022 09:30	Composite PMI	Oct	--	49	50.9	--
10/31/2022 09:30	Manufacturing PMI	Oct	49.8	49.2	50.1	--
10/31/2022 09:30	Non-manufacturing PMI	Oct	50.1	48.7	50.6	--
11/01/2022 09:45	Caixin China PMI Mfg	Oct	48.5	--	48.1	--
11/03/2022 09:45	Caixin China PMI Composite	Oct	--	--	48.5	--
11/03/2022 09:45	Caixin China PMI Services	Oct	49	--	49.3	--
11/04/2022	BoP Current Account Balance	3Q P	--	--	\$77.5b	--
11/07/2022	Foreign Reserves	Oct	--	--	\$3028.96b	--
11/07/2022	Exports YoY	Oct	--	--	5.70%	--
11/07/2022	Imports YoY	Oct	--	--	0.30%	--
11/07/2022	Trade Balance	Oct	--	--	\$84.74b	--
11/07/2022	Exports YoY CNY	Oct	--	--	10.70%	--
11/07/2022	Imports YoY CNY	Oct	--	--	5.20%	--
11/07/2022	Trade Balance CNY	Oct	--	--	573.57b	--

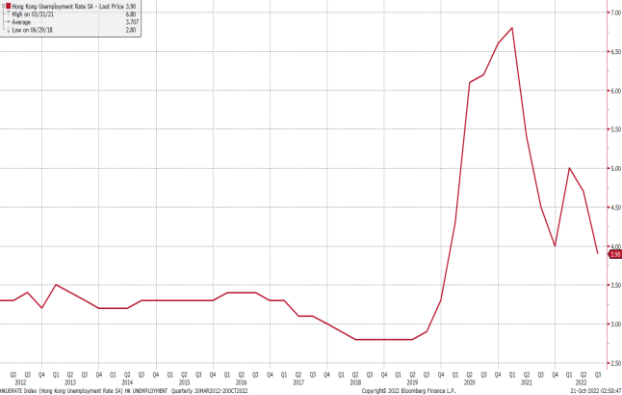
Hong Kong GDP Q on Q



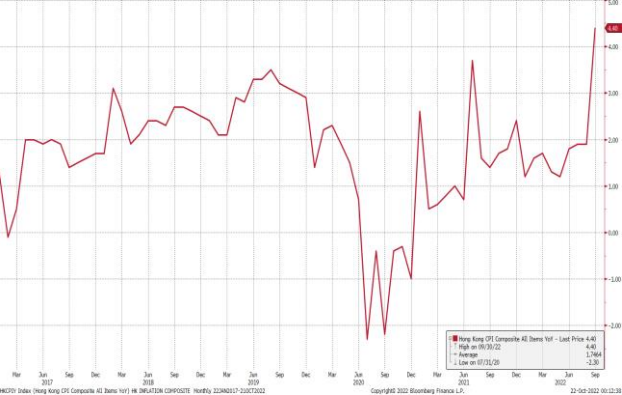
Hong Kong Base Interest Rate



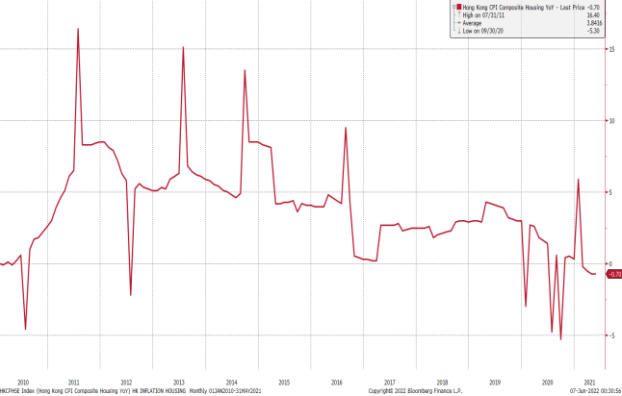
Hong Kong Unemployment Rate



Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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