

Fundamentals:

Hong Kong stocks dropped as China reopening bets waned amid weak corporate earnings outlook and concerns that the spy balloon incident will heighten US-China tensions and provoke new sanctions against Chinese companies.

The Hang Seng Index fell 2 per cent to 21,222.16 at the closing of Monday trading, while the Tech Index lost 3.7 per cent and the Shanghai Composite Index retreated 0.8 per cent.

Alibaba Group lost 3 per cent to HK\$102.90, and Tencent dropped 2.5 per cent to HK\$375.20. Baidu tumbled 2.9 per cent to HK\$140.60, and JD.com slumped 3.9 per cent to HK\$221.80. Developer Country Garden slid 3.6 per cent to HK\$2.70. Macau casino operator Sands China lost 2.6 per cent to HK\$28.10.

The city's benchmark stock index lost 4.5 per cent last week, the most since late October. Mainland investors sold HK\$17.5 billion (US\$2 billion) worth of Hong Kong-listed stocks last week, bringing the net outflows this year to about US\$500 million, according to Stock Connect data.

The US shot down a Chinese balloon with surveillance and payload gear it accused of spying on key military sites, the government said on Saturday, while Secretary of State Antony Blinken postponed his China trip. China said it was a stray civilian vessel blown off course, and has vowed to retaliate.

The US has recently moved to limit China's access to advanced semiconductor technology by restricting US companies from exporting their hi-tech goods to mainland China. It has also roped in allies Japan and the Netherlands to restrict the sale of advanced equipment.

Almost 60 per cent of Chinese companies lost money in 2022, the highest in at least a decade, according to data compiled by Industrial Securities last week, based on reports released so far this year. The combined revenue of Big Tech firms - including Alibaba Group and Tencent, dropped for the first time in 2022, according to government data.

China Hongqiao, the world's largest aluminium producer, warned net profit could decrease 40 per cent in 2022. It crashed 4.5 per cent to HK\$8.48, the biggest drop since November last year.

Elsewhere, SenseTime surged 6.4 per cent to HK\$3. China's biggest artificial intelligence company said it agreed to collaborate with King Abdullah Financial District and Sela, a cultural tourism event management company in Saudi Arabia, in areas including smart city and digital tourism.

Asian markets were mixed. The Nikkei 225 index in Tokyo jumped 1.1 per cent, while the benchmark indices in South Korea and Australia dropped by 0.3 per cent to 1.2 per cent.

(Source: South China Morning Post)

Contracts	Chg	Sett	High	Low
H. SENG FUT FEB 23	-400	21243	21803	21124
H. SENG FUT MAR 23	-392	21256	21794	21140
H. SENG FUT JUN 23	-401	21193	21750	21094
H. SENG FUT SEP 23	-400	21243	21803	21124
MINI H. SENG FUT FEB 23	-400	21243	21805	21125
MINI H. SENG FUT MAR 23	-392	21256	21805	21131
MINI H. SENG FUT JUN 23	-401	21193	21750	21076
MINI H. SENG FUT SEP 23	-400	21243	21805	21125
HSCEI FUT FEB 23	-181	7201	7446	7163
HSCEI FUT MAR 23	-180	7230	7465	7193
HSCEI FUT JUN 23	-181	7211	7220	7200
HSCEI FUT SEP 23	-181	7201	7446	7163
MINI HSCEI FUT FEB 23	-181	7201	7446	7163
MINI HSCEI FUT MAR 23	-180	7230	7476	7193
MINI HSCEI FUT JUN 23	-181	7211	7440	7177
MINI HSCEI FUT SEP 23	-181	7201	7446	7163

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	85.6	0.65	86.05	84.7
**Tencent Holdings Ltd	376.8	-8.2	380	368.6
*HSBC Holdings PLC	56.6	0.7	56.8	55.9
**China Construction Bank Corp	4.96	-0.05	4.99	4.94
**Ping An Insurance Group	56.05	-1.85	56.65	55.55
**Meituan	164.1	-8.7	170	160.4
*Hong Kong Exchanges & Clearing Ltd	337.6	-14.8	347.4	330.4
**Alibaba Group Holdings Ltd	103.2	-2.9	103.8	101.5
**Xiaomi Corp	12.82	-0.66	13.3	12.72
**ICBC	4.01	-0.07	4.06	3.99

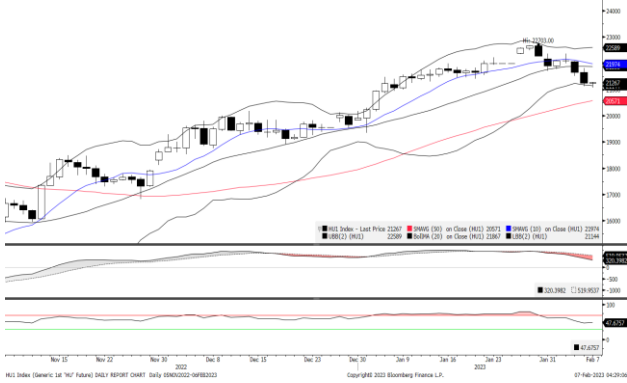
Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	63.5	-2.45	63.7	60.7
**China Mobile Ltd	56.6	-0.15	57.3	56.15
**Bank of China Ltd	2.94	-0.04	2.97	2.93
*Techtronic Industries Co Ltd	105.2	-4.2	108.6	104.3
*CK Hutchison Holdings Ltd	48.7	-0.6	49.2	48.35
*Link REIT	62.9	-1.75	64.4	62.55
*CLP Holding Ltd	57.75	-0.45	58.05	57.25
**Geely Automobile Holdings Ltd	12.16	-0.48	12.48	12.02
**CNOOC Ltd	11.16	-0.1	11.24	11.02
**ANTA Sports Products Ltd	113.1	-3.7	114.5	111.6

Global Equity Indices	Close	Change	High	Low
Hang Seng	21222.16	-438.31	21349.2	21085.72
HSCEI	7189.37	-197.65	7244.16	7142.41
Shanghai Comp Index	3238.7	-24.708	3250.35	3226.211
Nikkei 225	27693.7	184.19	27821.2	27656.47
KOSPI	2438.19	-42.21	2469.42	2438.04
S&P/ASX200	7538.98	-19.129	7567.7	7531.4
DJIA	33891	-34.99	33962.8	33683.58
S&P 500	4111.08	-25.4	4124.63	4093.38
NASDAQ	11887.5	-119.51	11973.4	11843.49
DAX	15345.9	-130.52	15406.9	15275.57
CAC	7137.1	-1.34	7187.27	7104.52
FTSE100	7836.71	-65.09	7901.8	7808.39

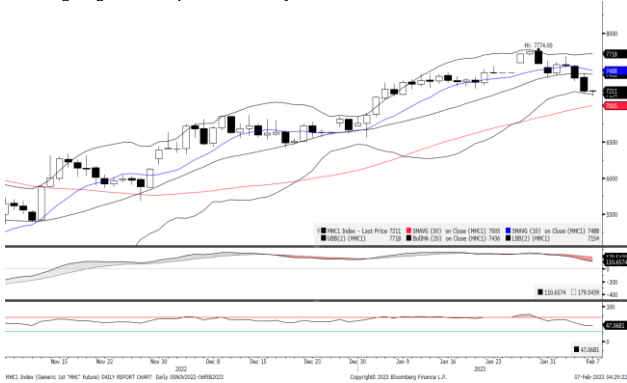
HONG KONG INDEX FUTURES DAILY PREVIEW

Date Prepared : 07/Feb/2023

Mini Hang Seng Futures Daily Chart



Mini Hang Seng China Enterprise Futures Daily Chart



Technical Analysis

Mini Hang Seng

1st Resistance:	21562	2nd Resistance:	21880
1st Support:	20924	2nd Support:	20606
MACD:	395.357		
MACD DIFF:	-174.482		
RSI:	47.2625		

Mini Hang Seng China Enterprise

1st Resistance:	7309	2nd Resistance:	7417
1st Support:	7093	2nd Support:	6985
MACD:	139.018		
MACD DIFF:	-57.748		
RSI:	46.6544		

Strategy:

Mini Hang Seng:	Long: Profit target: 20924	Stop-loss: 21134	20820	Long: Profit target: 20606	Stop-loss: 20812	20503
-----------------	----------------------------	------------------	-------	----------------------------	------------------	-------

	Short: Profit target: 21562	Stop-loss: 21346	21669	Short: Profit target: 21880	Stop-loss: 21661	21990
--	-----------------------------	------------------	-------	-----------------------------	------------------	-------

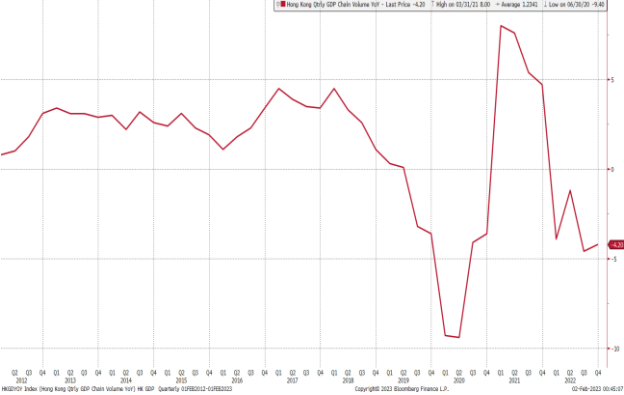
Mini Hang Seng China Enterprise:	Long: Profit target: 7093	Stop-loss: 7164	7058	Long: Profit target: 6985	Stop-loss: 7055	6950
----------------------------------	---------------------------	-----------------	------	---------------------------	-----------------	------

	Short: Profit target: 7309	Stop-loss: 7236	7346	Short: Profit target: 7417	Stop-loss: 7343	7454
--	----------------------------	-----------------	------	----------------------------	-----------------	------

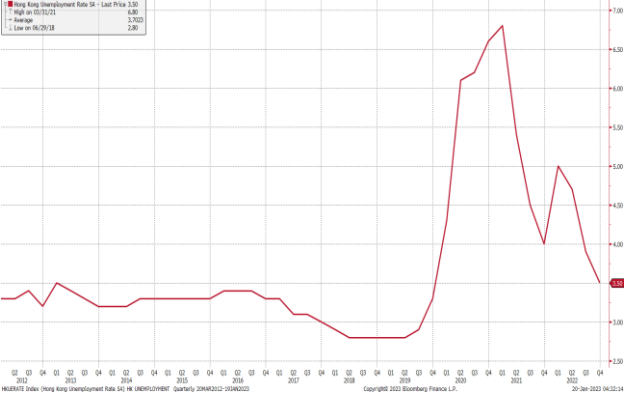
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
02/07/2023	Foreign Reserves	Jan	--	--	\$424.0b	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
02/07/2023	Foreign Reserves	Jan	\$3155.00b	--	\$3127.69b	--
02/09/2023 02/15	Aggregate Financing CNY	Jan	5400.0b	--	1310.0b	1305.8b
02/09/2023 02/15	Money Supply M2 YoY	Jan	11.70%	--	11.80%	--
02/09/2023 02/15	Money Supply M0 YoY	Jan	--	--	15.30%	--
02/09/2023 02/15	New Yuan Loans CNY	Jan	4200.0b	--	1400.0b	1398.3b
02/09/2023 02/15	Money Supply M1 YoY	Jan	4.70%	--	3.70%	--
02/10/2023 09:30	CPI YoY	Jan	2.20%	--	1.80%	--
02/10/2023 09:30	PPI YoY	Jan	-0.40%	--	-0.70%	--
02/10/2023	BoP Current Account Bal	4Q P	--	--	\$144.3b	--
02/11/2023 02/18	FDI YTD YoY CNY	Jan	--	--	6.30%	--

Hong Kong GDP Q on Q



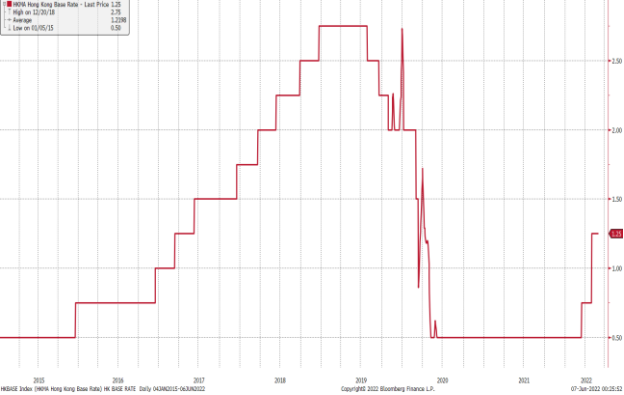
Hong Kong Unemployment Rate



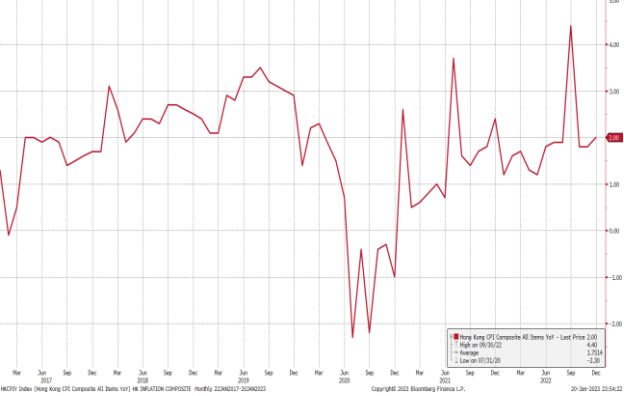
Hong Kong Housing Inflation



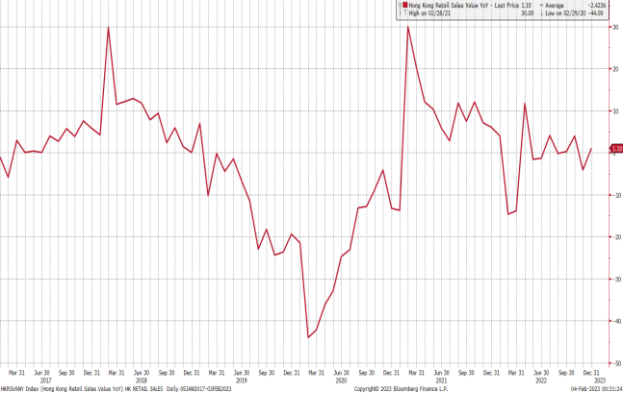
Hong Kong Base Interest Rate



Hong Kong Composite Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

Kenanga Futures Sdn Bhd (353603-X)
Dealing Desk: (603) 2172 3820 Fax: (603) 2172 2729 Email: futures@kenanga.com.my
Disclaimer: This document has been prepared for general circulation based on information obtained from sources believed to be reliable but we do not make any representations as to its accuracy or completeness. Any recommendation contained in this document does not have regard to the specific investment objectives, financial background and the particular needs of any person who may read this document. This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement and assessment by addressees in relation to any investment decision. Kenanga Futures Sdn Bhd accepts no liability whatsoever for any direct or consequential loss arising from any use of this document or any solicitations of an offer to buy or sell any securities/underlying securities. Kenanga Futures Sdn Bhd and its associates, their directors, and/or employees may have positions in, and may effect transactions in securities/underlying securities mentioned herein from time to time in the open market or otherwise, and may receive brokerage fees or act as principal or agent in dealings with respect to these companies.