

**Fundamentals:**

Hong Kong stocks dropped for a third day as some analysts downgraded the city's market and traders trimmed bets before a US inflation report and midterm elections, while a rout in cryptocurrencies hurt risk appetite.

The Hang Seng Index fell 1.7 per cent to 16,081.04 at the close, completing a 3.1 per cent loss within three days. The Hang Seng Tech Index slumped 3.3 per cent while the Shanghai Composite Index retreated 0.4 per cent.

Alibaba Group lost 4.6 per cent to HK\$63 before the annual November 11 Singles' Day gala. Tencent fell 2.3 per cent to HK\$231.40 while JD.com slipped 3.7 per cent to HK\$165.80. Apparel maker Shenzhen International tumbled 4.5 per cent to HK\$56.95. Geely Auto weakened 5.6 per cent to HK\$9.74 and car dealer Zhongsheng slumped 3.5 per cent to HK\$34.65.

Stocks retreated after a US\$430 billion rally this month on the back of zero-Covid policy speculation, with strategists at BCA Research downgrading Hong Kong-domiciled companies in the MSCI Hong Kong Index to underweight, citing a "triple assault" from the Federal Reserve's tightening policy, China's economic slowdown and shrinking global trade.

Some 19 companies on the Hang Seng Index have released third-quarter earnings so far, and they posted an average 1.2 per cent decline from last year, trailing analysts' estimates by 26 per cent, according to Bloomberg data.

Elsewhere, bitcoin plunged below US\$16,000 to a level not seen since 2020, and crypto exchange operator Binance scrapped its plan to take over its cash-strapped rival FTX.com.

US consumer prices probably rose 7.9 per cent in October from a year earlier, versus 8.2 per cent in September, according to consensus tracked by Bloomberg, before a government report later today. The midterm elections have been mixed, with the Republicans likely to control the House with a slim margin, with the Senate race in progress.

AAC Technologies, which makes acoustic products including speakers and microphones, jumped 4.6 per cent to HK\$17.40. The Apple supplier reported third-quarter revenue and profit that both beat analysts' estimates during the noon trading break.

Property management firm Country Garden Services gained 0.7 per cent to HK\$10.90 after agreeing to buy a 21.5 per cent stake in real-estate agency Hopetun Group for HK\$233.1 million (US\$29.7 million). Hopetun sid 7.4 per cent to HK\$1.12.

GRINM Semiconductor Material, which makes silicon wafers, jumped 92 per cent to 19 yuan on the first day of trading in Shanghai.

Other major Asian markets all headed south. Japan's Nikkei 225 slipped 1 per cent per cent, while South Korea's Kospi retreated 0.9 per cent and Australia's S&P/ASX 200 lost 0.5 per cent.

(Source: South China Morning Post)

**Mini Hang Seng Futures Daily Chart**



**Mini Hang Seng China Enterprise Futures Daily Chart**



**Technical Analysis**

*Mini Hang Seng*

1st Resistance: 16317      2nd Resistance: 16558  
 1st Support: 15835      2nd Support: 15594  
 MACD: -293.817  
 MACD DIFF: 200.71  
 RSI: 46.7132

*Mini Hang Seng China Enterprise*

1st Resistance: 5500      2nd Resistance: 5582  
 1st Support: 5338      2nd Support: 5256  
 MACD: -115.257  
 MACD DIFF: 68.236  
 RSI: 45.7915

**Strategy:**

*Mini Hang Seng:* Long: Profit target: 15993      Stop-loss: 15756      Long: Profit target: 15594      Stop-loss: 15750      Stop-loss: 15516

Short: Profit target: 16317      Stop-loss: 16154      Stop-loss: 16399      Short: Profit target: 16558      Stop-loss: 16393      Stop-loss: 16641

*Mini Hang Seng China Enterprise:* Long: Profit target: 5391      Stop-loss: 5311      Long: Profit target: 5256      Stop-loss: 5309      Stop-loss: 5230

Short: Profit target: 5500      Stop-loss: 5445      Stop-loss: 5528      Short: Profit target: 5582      Stop-loss: 5526      Stop-loss: 5609

Contracts	Chg	Sett	High	Low
H. SENG FUT NOV 22	-335	16076	16401	15945
H. SENG FUT DEC 22	-336	16134	16432	16000
H. SENG FUT MAR 23	-340	16255	16501	16171
H. SENG FUT JUN 23	-341	16173	16202	16120
MINI H. SENG FUT NOV 22	-335	16076	16403	15946
MINI H. SENG FUT DEC 22	-336	16134	16440	16004
MINI H. SENG FUT MAR 23	-340	16255	16565	16123
MINI H. SENG FUT JUN 23	-341	16173	16409	16048
HSCEI FUT NOV 22	-137	5419	5551	5388
HSCEI FUT DEC 22	-137	5442	5557	5417
HSCEI FUT MAR 23	-138	5516	5591	5489
HSCEI FUT JUN 23	-138	5499	5612	5599
MINI HSCEI FUT NOV 22	-137	5419	5551	5389
MINI HSCEI FUT DEC 22	-137	5442	5569	5412
MINI HSCEI FUT MAR 23	-138	5516	5642	5486
MINI HSCEI FUT JUN 23	-138	5499	5511	5478

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	67.15	-0.9	68.05	66.35
**Tencent Holdings Ltd	231.4	-5.4	234.4	229
*HSBC Holdings PLC	42.5	-0.5	42.5	41.8
**China Construction Bank Corp	4.39	-0.06	4.46	4.35
**Ping An Insurance Group	34.75	-0.7	34.9	34.35
**Meituan	141.9	-2.4	143	138.7
*Hong Kong Exchanges & Clearing Ltd	255.8	-4.2	257.6	250.2
**Alibaba Group Holdings Ltd	63	-3	64.5	62.6
**Xiaomi Corp	9.86	-0.22	9.97	9.81
**ICBC	3.56	-0.04	3.6	3.52

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	43.75	-0.85	45.1	43.25
**China Mobile Ltd	48.3	-0.05	48.7	47.95
**Bank of China Ltd	2.61	-0.03	2.64	2.58
*Techtronic Industries Co Ltd	79.5	-3.25	82.1	78.3
*CK Hutchison Holdings Ltd	40.85	-0.75	41.75	40.65
*Link REIT	50.95	1.15	51.45	49.35
*CLP Holding Ltd	54.25	-0.6	54.9	53.8
**Geely Automobile Holdings Ltd	9.74	-0.58	10.1	9.54
**CNOOC Ltd	10.1	-0.08	10.14	9.93
**ANTA Sports Products Ltd	77.1	-1.65	78.1	74.75

Global Equity Indices	Close	Change	High	Low
Hang Seng	16081.04	-277.48	16138.2	15945.2
HSCEI	5417.13	-117.63	5454.27	5384.16
Shanghai Comp Index	3036.13	-12.035	3047.98	3022.851
Nikkei 225	27446.1	-270.33	27485.4	27370.62
KOSPI	2402.23	-22.18	2426.1	2401.99
S&P/ASX200	6964.02	-35.28	6999.3	6954.5
DJIA	33715.4	1201.43	33727.7	33167.82
S&P 500	3956.37	207.8	3958.33	3859.89
NASDAQ	11114.2	760.98	11119.1	10779.95
DAX	14146.1	479.77	14157.3	13599.35
CAC	6556.83	1.96	6573.85	6381.42
FTSE100	7375.34	79.09	7405.09	7253.36

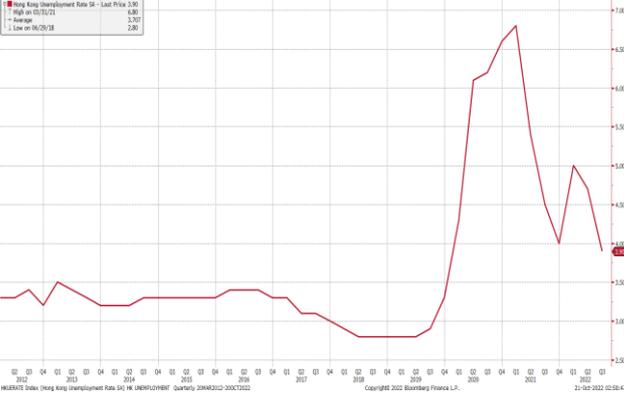
Hong Kong Economic Releases	Period	Survey	Actual	Prior	Revised
11/11/2022 16:30	GDP YoY	3Q F	-4.50%	--	-4.50%
11/11/2022 16:30	GDP SA QoQ	3Q F	-2.60%	--	-2.60%
11/17/2022 16:30	Unemployment Rate SA	Oct	--	--	3.90%
11/18/2022 14:00	Bloomberg Nov. Hong Kong Economic Survey				

China Economic Releases	Period	Survey	Actual	Prior	Revised
11/10/2022 18:20	Aggregate Financing CNY	Oct	1600.0b	907.9b	3520.0b
11/10/2022 18:20	New Yuan Loans CNY	Oct	800.0b	615.2b	2470.0b
11/10/2022 18:20	Money Supply M0 YoY	Oct	12.80%	14.30%	13.60%
11/10/2022 18:20	Money Supply M1 YoY	Oct	6.50%	5.80%	6.40%
11/10/2022 18:20	Money Supply M2 YoY	Oct	12.00%	11.80%	12.10%
11/11/2022 11:20	FDI YTD YoY CNY	Oct	--	--	15.60%
11/13/2022 11:16	1-Yr Medium-Term Lending Facility Ra	Nov-15	2.75%	--	2.75%
11/13/2022 11:16	1-Yr Medium-Term Lending Facilities V	Nov-15	1000.0b	--	500.0b

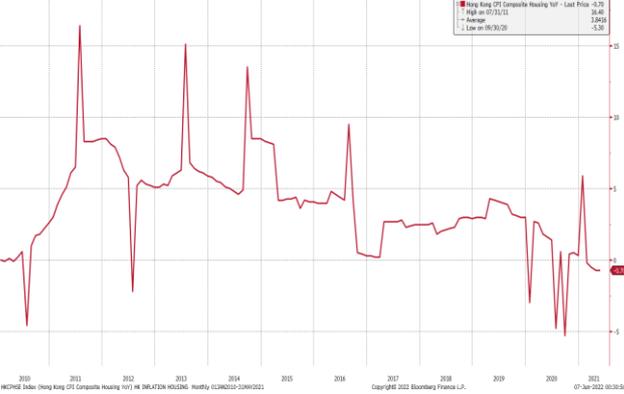
### Hong Kong GDP Q on Q



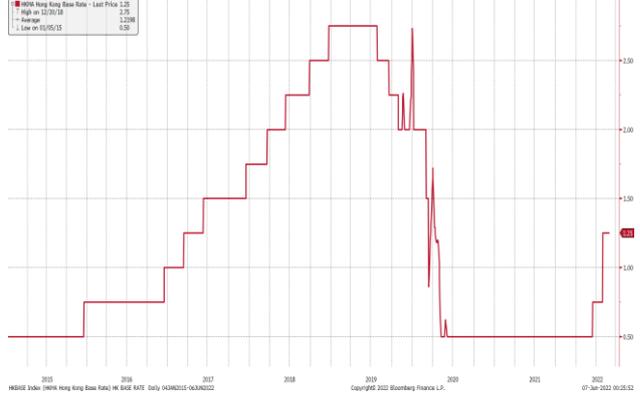
### Hong Kong Unemployment Rate



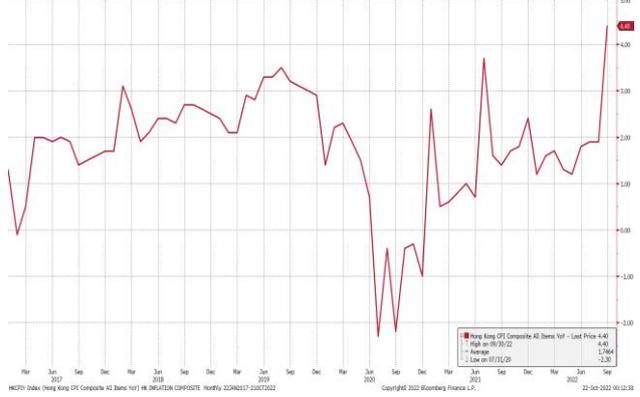
### Hong Kong Housing Inflation



### Hong Kong Base Interest Rate



### Hong Kong Composite Inflation



### Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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