

Fundamentals:

Hong Kong stocks advanced as traders turned to potential earnings upside as China's economic recovery gains traction. Li Auto and JD Health rose on speculation they may be included in the city's benchmark index later this week.

Cyclical economic recovery in China is starting to unfold, according to Grow Investment Group. High-frequency data show that traffic congestion and subway crowds in big cities have rebounded to near-normal levels. In tier-1 cities, secondary property transactions have been returning strongly.

Intracity mobility is at a multi-year high, analysts at Goldman Sachs wrote in a report on Monday, while official high-frequency data pointed to a robust rebound in transport, restaurant services, and leisure and entertainment sectors. Stocks could climb further on earnings growth and delivery, they added.

Meanwhile, stronger than expected US reports, including consumer and producer prices in January, are forcing investors to push the end of the Federal Reserve's tightening moves further out. US policymakers had downshifted to smaller rate increases over the past two policy meetings.

Markets "will unlikely like this uncertainty", Nomura analysts including Chetan Seth and Ankit Yadav wrote in a note to clients on Monday. "Thus we expect some volatility until a trend in the data is formed again."

Other major Asian markets were flat. South Korea's Kospi added 0.2 per cent while the Nikkei 225 and Australia's S&P/ASX 200 gained less than 0.1 per cent.

(Source: South China Morning Post)

HONG KONG INDEX FUTURES DAILY PREVIEW

Date Prepared : 21/Feb/2023

Mini Hang Seng Futures Daily Chart



Mini Hang Seng China Enterprise Futures Daily Chart



Technical Analysis

Mini Hang Seng

1st Resistance: 21192 2nd Resistance: 21505
 1st Support: 20566 2nd Support: 20253
 MACD: -75.649
 MACD DIFF: -171.237
 RSI: 44.1869

Mini Hang Seng China Enterprise

1st Resistance: 7168 2nd Resistance: 7274
 1st Support: 6956 2nd Support: 6850
 MACD: -40.439
 MACD DIFF: -61.424
 RSI: 44.4804

Strategy:

Mini Hang Seng: Long: Profit target: 20566 Stop-loss: 20771 20463 Long: Profit target: 20253 Stop-loss: 20455 20151

Short: Profit target: 21192 Stop-loss: 20980 21298 Short: Profit target: 21505 Stop-loss: 21290 21613

Mini Hang Seng China Enterprise: Long: Profit target: 6956 Stop-loss: 7026 6921 Long: Profit target: 6850 Stop-loss: 6919 6816

Short: Profit target: 7168 Stop-loss: 7096 7204 Short: Profit target: 7274 Stop-loss: 7201 7310

Contracts	Chg	Sett	High	Low
H. SENG FUT FEB 23	239	20879	20993	20503
H. SENG FUT MAR 23	246	20878	20985	20494
H. SENG FUT JUN 23	243	20792	20903	20421
H. SENG FUT SEP 23	239	20879	20993	20503
MINI H. SENG FUT FEB 23	239	20879	20993	20503
MINI H. SENG FUT MAR 23	246	20878	20982	20495
MINI H. SENG FUT JUN 23	243	20792	20900	20419
MINI H. SENG FUT SEP 23	239	20879	20993	20503
HSCEI FUT FEB 23	99	7062	7110	6898
HSCEI FUT MAR 23	98	7089	7136	6929
HSCEI FUT JUN 23	100	7064	7104	6900
HSCEI FUT SEP 23	99	7062	7110	6898
MINI HSCEI FUT FEB 23	99	7062	7109	6902
MINI HSCEI FUT MAR 23	98	7089	7135	6933
MINI HSCEI FUT JUN 23	100	7064	7100	6905
MINI HSCEI FUT SEP 23	99	7062	7109	6902

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	83.25	-0.4	84.15	82.55
**Tencent Holdings Ltd	377	3.2	378.8	369.2
*HSBC Holdings PLC	58.75	0.55	58.9	58.2
**China Construction Bank Corp	4.98	0.04	5.02	4.92
**Ping An Insurance Group	58.05	1	58.65	56.85
**Meituan	145.8	1.6	147.6	142.2
*Hong Kong Exchanges & Clearing Ltd	332.8	2	334	327.4
**Alibaba Group Holdings Ltd	99.4	-0.05	100.5	98
**Xiaomi Corp	12.84	0.14	13.08	12.64
**ICBC	4.03	0.03	4.06	3.99

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	58.5	1.85	58.85	55.9
**China Mobile Ltd	59.1	1.75	59.35	57.35
**Bank of China Ltd	2.95	0.02	2.96	2.92
*Techtronic Industries Co Ltd	101.7	0.9	102.2	99.6
*CK Hutchison Holdings Ltd	48.25	0.45	48.4	47.8
*Link REIT	52.35	-0.7	53.3	52.2
*CLP Holding Ltd	56.35	0.15	56.8	56
**Geely Automobile Holdings Ltd	11.52	-0.04	11.7	11.26
**CNOOC Ltd	11.38	0.02	11.54	11.3
**ANTA Sports Products Ltd	106	1.4	107.1	102.5

Global Equity Indices	Close	Change	High	Low
Hang Seng	20886.96	167.15	20973.7	20606.85
HSCEI	7063.94	72.67	7100.86	6946.29
Shanghai Comp Index	3290.34	66.314	3291.04	3225.843
Nikkei 225	27531.9	18.81	27531.9	27426.48
KOSPI	2455.12	3.91	2463.17	2430.27
S&P/ASX200	7351.52	4.755	7357.5	7331.3
DJIA	0	0	0	0
S&P 500	0	0	0	0
NASDAQ	0	0	0	0
DAX	15477.6	-4.45	15532.4	15436.79
CAC	7335.61	-0.16	7363.41	7318.73
FTSE100	8014.31	9.95	8020.13	7995.46

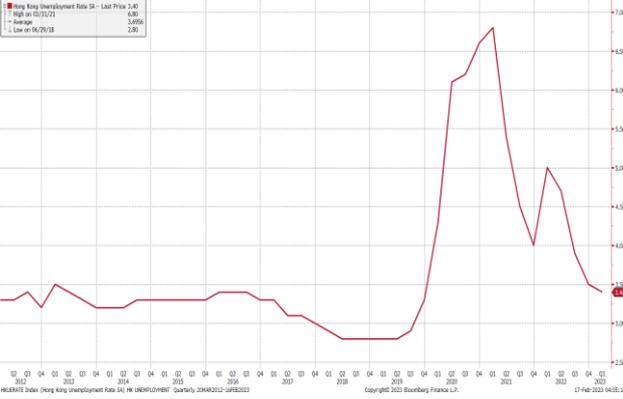
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
02/22/2023	GDP SA QoQ	4Q F	--	--	0.00%	--
02/22/2023	GDP YoY	4Q F	--	--	-4.20%	--
02/22/2023	GDP Annual YoY	2022	--	--	-3.50%	--
02/23/2023 16:30	CPI Composite YoY	Jan	2.10%	--	2.00%	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
02/20/2023 09:15	5-Year Loan Prime Rate	43862	0.043	0.043	4.30%	--
02/20/2023 09:15	1-Year Loan Prime Rate	Feb-20	3.65%	0.0365	3.65%	--
02/20/2023 02:25	FDI YTD YoY CNY	Jan	--	0.145	6.30%	--
02/24/2023 10:00	Bloomberg Feb. China Economic Survey					

Hong Kong GDP Q on Q



Hong Kong Unemployment Rate

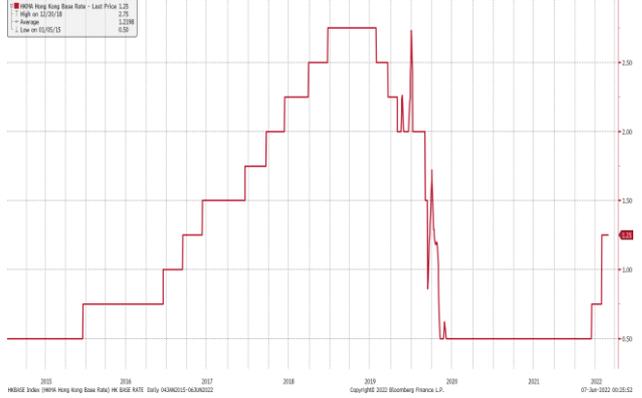


Hong Kong Housing Inflation

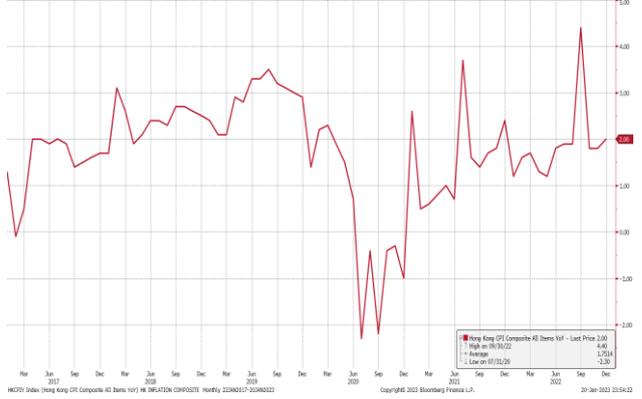


(Source: Bloomberg)

Hong Kong Base Interest Rate



Hong Kong Composite Inflation



Hong Kong Retail Sales Value Y on Y %



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