

**Fundamentals:**

Hong Kong stocks struggled to hold onto gains on Tuesday as a sell-off in bitcoin weighed on risk sentiment and jitters grew that a potential unwinding of the carry trade linked to the Japanese yen would rattle global financial markets.

The Hang Seng Index climbed 0.2 per cent to 26,095.05 at the close, paring a gain of as much as 0.9 per cent that had been spurred by optimism about an extension of the decent run this year. The Hang Seng Tech Index declined 0.4 per cent.

On the mainland, the CSI 300 Index fell 0.5 per cent and the Shanghai Composite Index retreated 0.4 per cent.

Alibaba Group Holding rose 1.4 per cent to HK\$157 and Kuaishou Technology added 0.9 per cent to HK\$68.95 after rolling out an artificial intelligence-backed video model. Macau casino operator Galaxy Entertainment Group rallied 2.8 per cent to HK\$40.98. Limiting the gains, Li Auto fell 0.8 per cent to HK\$69.75 on sluggish industry-wide data on electric-vehicle sales in China. Social media giant Tencent Holdings slipped 0.4 per cent to HK\$617.

The gains in Hong Kong stocks faded as investors turned cautious after a liquidation of leverage positions on bitcoin, a barometer of risk appetite, snapped a streak of five-day gains in US equities overnight. Meanwhile, investors are guarding against possible tumult in global asset prices after the Japanese central bank hinted at an increase in the interest rate as early as this month. The yield on the two-year Japanese bond rose to its highest since 2008.

Higher borrowing costs in Japan risk unravelling the so-called carry trade, in which investors borrow a low-yield currency and reinvest in other currencies or assets with higher returns. The last rate increase in Japan, in July last year, jolted global markets, prompting sell-offs in US stocks and Treasuries as investors unwound positions to repay their yen-denominated debts.

"A surge in the Japanese yen is once again playing havoc with markets," said Nic Puckrin, the co-founder of The Coin Bureau. "With the likelihood of a rate hike by the Bank of Japan now at 76 per cent, the Japanese yen carry trade is once again beginning to unwind."

The market's jitters were partially countered by optimism that the Hang Seng Index would stretch its 30 per cent gain this year, as more market participants struck upbeat tones on 2026. On course for its second straight annual increase, the Hang Seng Index ranks among the world's best-performing key benchmarks globally this year after a re-rating of Chinese tech companies and a detente in geopolitical tensions.

HSBC Asset Management said improved earnings, an easing deflationary trend and policy support would buoy the markets. Meanwhile, Swiss bank UBS Group said that earnings growth for Chinese companies would accelerate to 8 per cent next year from 6 per cent in 2025, as faster nominal economic growth and stimulus measures sustained corporate margins. Valuation expansion still had room to run as Chinese stocks had a higher risk premium than other emerging markets, it added.

Hopes of more support for economic growth from Beijing grew after an official report over the weekend showed that China's manufacturing activity shrank for an eighth straight month. Investors are waiting for an annual central economic work conference this month, in which President Xi Jinping and other top policymakers will set the policy tone for next year.

Other major Asian markets mostly rose. South Korea's Kospi rose 1.9 per cent and Australia's S&P/ASX 200 added 0.2 per cent, while Japan's Nikkei 225 was little changed.

(Source: South China Morning Post)

**Mini Hang Seng Futures Daily Chart**



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



Contracts	Chg	Sett	High	Low
H. SENG FUT DEC 25	29	26085	26277	25983
H. SENG FUT JAN 26	37	26157	26338	26059
H. SENG FUT FEB 26	29	26224	#N/A	#N/A
H. SENG FUT MAR 26	29	26085	26277	25983
MINI H. SENG FUT DEC 25	29	26085	26276	25982
MINI H. SENG FUT JAN 26	37	26157	26340	26062
MINI H. SENG FUT MAR 26	32	26201	26382	26098
MINI H. SENG FUT JUN 26	29	26085	26276	25982
HSCEI FUT DEC 25	1	9168	9239	9132
HSCEI FUT JAN 26	2	9191	9250	9160
HSCEI FUT FEB 26	1	9211	#N/A	#N/A
HSCEI FUT MAR 26	1	9168	9239	9132
MINI HSCEI FUT DEC 25	1	9168	9239	9131
MINI HSCEI FUT JAN 26	2	9191	9254	9155
MINI HSCEI FUT MAR 26	2	9235	9298	9207
MINI HSCEI FUT JUN 26	1	9168	9239	9131

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	80.8	0.3	82.5	80.45
**Tencent Holdings Ltd	617	-2.5	626	615
*HSBC Holdings PLC	111	0.5	111.7	110.3
**China Construction Bank Corp	8.16	0.01	8.21	8.13
**Ping An Insurance Group	57.4	0.4	57.95	57.2
**Meituan	96.5	-3.05	99.7	95.7
*Hong Kong Exchanges & Clearing Ltd	410.2	-2.4	414.6	408.8
**Alibaba Group Holdings Ltd	157	2.1	160.1	156.3
**Xiaomi Corp	40.7	0.4	41.3	40.08
**ICBC	6.43	-0.03	6.52	6.41

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	31.38	-0.34	31.9	31.16
**China Mobile Ltd	87.8	0.05	88.2	87.7
**Bank of China Ltd	4.57	0.0204189	4.6	4.53
*Techtronic Industries Co Ltd	92	1	92	90.7
*CK Hutchison Holdings Ltd	56.85	0.95	57.4	55.9
*Link REIT	35.7	-0.112	36.5	35.64
*CLP Holding Ltd	67.8	0.18	68.15	67.4
**Geely Automobile Holdings Ltd	17.16	0.1	17.26	16.96
**CNOOC Ltd	21.84	0.4	22.12	21.4
**ANTA Sports Products Ltd	86	1.9	86	84.4

Global Equity Indices	Close	Change	High	Low
Hang Seng	26095.05	61.79	26264.13	25989.45
HSCEI	9182.65	9.81	9248.48	9147.13
Shanghai Comp Index	3897.71	-16.294	3908.769	3888.327
Nikkei 225	49303.5	0.17	49636.79	49243.55
KOSPI	3994.93	74.56	3994.93	3935.14
S&P/ASX200	8579.7	14.504	8602.5	8569.4
DJIA	47474.5	185.13	47597.11	47263.92
S&P 500	6829.37	16.74	6851.55	6806.71
NASDAQ	23413.7	137.75	23526.23	23286.46
DAX	23710.9	121.42	23792.05	23607.7
CAC	8074.61	-0.28	8135.8	8072.06
FTSE100	9701.8	-0.73	9744.82	9682.27

**Technical Analysis**

**Mini Hang Seng**

1st Resistance:	26476	2nd Resistance:	26868
1st Support:	25694	2nd Support:	25302
MACD:	-82.369		
MACD DIFF:	-6.94664		
RSI:	49.8105		

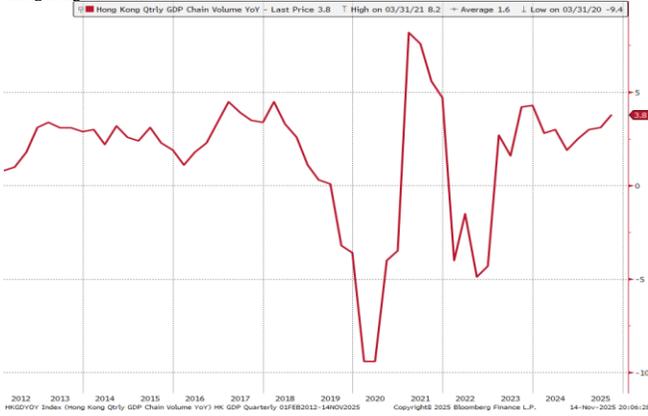
**Mini Hang Seng China Enterprise**

1st Resistance:	9306	2nd Resistance:	9443
1st Support:	9030	2nd Support:	8893
MACD:	-50.793		
MACD DIFF:	-6.256		
RSI:	46.7139		

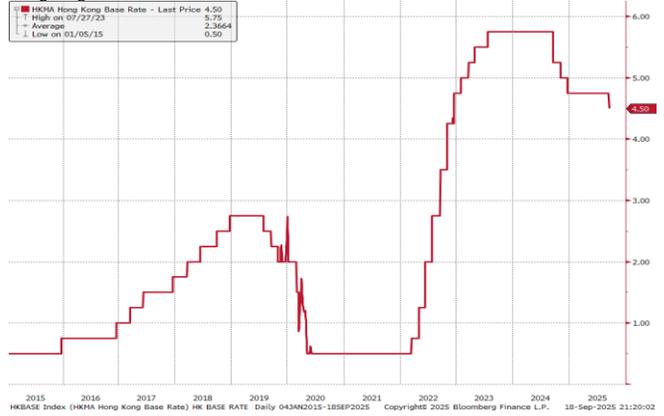
Hong Kong Economic Releases		Period	Survey	Actual	Prior	Revised
11/28/2025 16:30	Money Supply M1 HKD YoY	Oct	--	12.30%	11.50%	--
11/28/2025 16:30	Money Supply M2 HKD YoY	Oct	--	3.50%	4.50%	--
11/28/2025 16:30	Money Supply M3 HKD YoY	Oct	--	3.50%	4.50%	--
12/01/2025 16:30	Retail Sales Value YoY	Oct	4.70%	6.90%	5.90%	6.00%
12/01/2025 16:30	Retail Sales Volume YoY	Oct	3.90%	5.30%	4.80%	--
12/03/2025 08:30	S&P Global Hong Kong PMI	Nov	--	--	51.2	--
12/15/2025 16:30	PPI YoY	3Q	--	--	4.00%	--
12/16/2025 16:30	Unemployment Rate SA	Nov	--	--	3.80%	--
12/22/2025 16:30	BoP Current Account Balance	3Q	--	--	\$92.56b	\$95.81b
12/22/2025 16:30	BoP Overall	3Q	--	--	\$105.54b	--
12/22/2025 16:30	CPI Composite YoY	Nov	--	--	1.20%	--
12/31/2025 16:30	Money Supply M1 HKD YoY	Nov	--	--	12.30%	--
12/31/2025 16:30	Money Supply M2 HKD YoY	Nov	--	--	3.50%	--
12/31/2025 16:30	Money Supply M3 HKD YoY	Nov	--	--	3.50%	--

China Economic Releases		Period	Survey	Actual	Prior	Revised
11/30/2025 09:30	Manufacturing PMI	Nov	49.4	49.2	49	--
11/30/2025 09:30	Non-manufacturing PMI	Nov	50	49.5	50.1	--
11/30/2025 09:30	Composite PMI	Nov	--	49.7	50	--
12/09/2025-12/15/2025	Money Supply M2 YoY	Nov	--	--	8.20%	--
12/09/2025-12/15/2025	Money Supply M1 YoY	Nov	--	--	6.20%	--
12/09/2025-12/15/2025	Money Supply M0 YoY	Nov	--	--	10.60%	--
12/10/2025 09:30	PPI YoY	Nov	--	--	-2.10%	--
12/10/2025 09:30	CPI YoY	Nov	--	--	0.20%	--
12/11/2025-12/18/2025	FDI YTD YoY CNY	Nov	--	--	-10.30%	--
12/15/2025 10:00	Retail Sales YoY	Nov	--	--	2.90%	--
12/15/2025 10:00	Retail Sales YTD YoY	Nov	--	--	4.30%	--
12/31/2025 09:30	Manufacturing PMI	Dec	--	--	49.2	--
12/31/2025 09:30	Non-manufacturing PMI	Dec	--	--	49.5	--
12/31/2025 09:30	Composite PMI	Dec	--	--	49.7	--
12/31/2025	BoP Current Account Balance	3Q F	--	--	\$195.6b	--

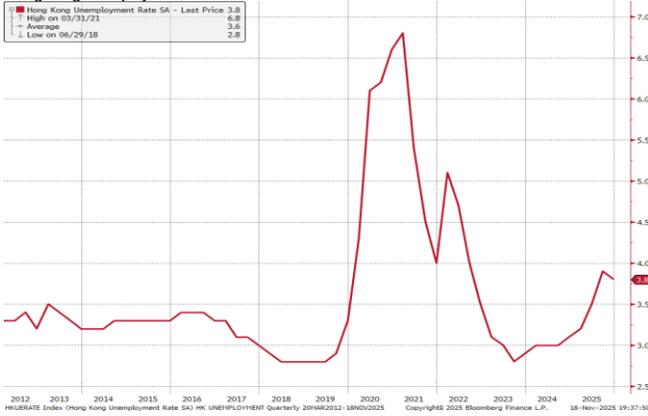
### Hong Kong GDP Q on Q



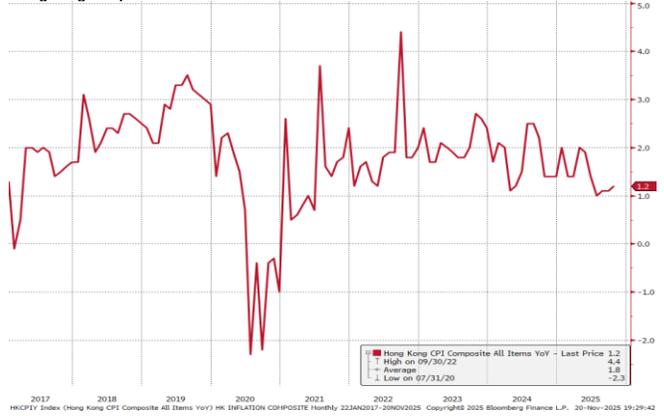
### Hong Kong Base Interest Rate



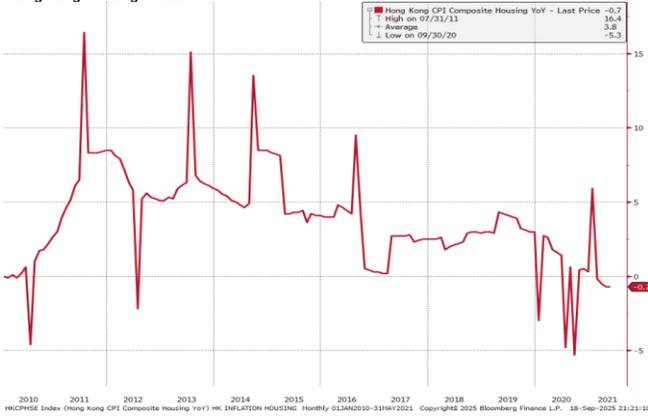
### Hong Kong Unemployment Rate



### Hong Kong Composite Inflation



### Hong Kong Housing Inflation



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



(Source: Bloomberg)

Kenanga Futures Sdn Bhd (353603-X)

Dealing Desk: (603) 2172 3820 Fax: (603) 2172 2729 Email: futures@kenanga.com.my

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