

Fundamentals:

A rebound in Hong Kong stocks lost momentum on Wednesday as investors awaited clearer signals from the world's key central banks and Beijing that would shape the outlook for markets next year.

The Hang Seng Index fell 1.3 per cent to 25,760.73 at the close, halting a two-day streak of gains. The Hang Seng Tech Index dropped 1.6 per cent.

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

Alibaba Group Holding sank 2.2 per cent to HK\$153.60 and Tencent Holdings lost 1 per cent to HK\$611. Online game operator NetEase retreated 2.9 per cent to HK\$217.80 and bottled water maker Nongfu Spring declined 2.5 per cent to HK\$48.10. China Construction Bank lost 3.9 per cent to HK\$7.84 after trading ex-dividend, with investors who bought the stock from Wednesday onwards not entitled to an interim dividend of 0.1858 yuan per share.

Caution returned to the market after a recovery in risk appetite spurred a rebound in Hong Kong stocks alongside global equities earlier this week. Investors are now gearing up for the coming policy meetings by the US Federal Reserve and the Bank of Japan (BOJ) in the coming weeks, with the rate decisions expected to have a pronounced impact on global capital flows.

"Hong Kong stocks will face some external disruptions in the near term," said Zhang Sida, an analyst at Guoyuan International. "A rate cut in the US isn't a done deal yet before the release of economic data, and Japan's central bank has a very hawkish tone."

The Fed is widely expected to lower the benchmark interest rate by 25 basis points next week, while Japan's central bank will probably raise the borrowing costs for a second time this year, marking a major shift from an ultra-loose monetary policy.

Investors remain wary of a repeat of the turbulence that followed the BOJ rate hike in July last year, which unmoored the yen carry trade and rattled global assets. The BOJ has raised the borrowing cost three times since it officially ended the zero interest-rate approach in March 2024.

Attention is also turning to China's annual central economic work conference, scheduled later this month, for clues on how Beijing will deploy policies next year to steer the world's second-largest economy amid slumping home prices and deflationary pressures.

A private purchasing managers' index released on Wednesday indicated that China's service industry expanded at a slower pace in November.

Nomura Holdings predicted that China's economic growth would decelerate to 4.3 per cent in 2026 from an estimated 4.9 per cent increase this year, with exports moderating and housing prices extending the downturn, according to Lu Ting, chief China economist at the Japanese investment bank. Inflation would remain tepid, with consumer prices rising by an average of 0.4 per cent and producer prices falling by 1.2 per cent, Lu said.

Two companies debuted in Hong Kong. Lemo Services, a massaging equipment maker, surged 36 per cent to HK\$54.50 and commodity producer Anhui Jinyan Kaolin New Materials gained 2.2 per cent to HK\$7.46.

Other major Asian markets all rose, tracking an uptick in US stocks following a rebound in bitcoin. Japan's Nikkei 225 climbed 1.1 per cent, South Korea's Kospi rose 1 per cent and Australia's S&P/ASX 200 added 0.2 per cent.

(Source: South China Morning Post)

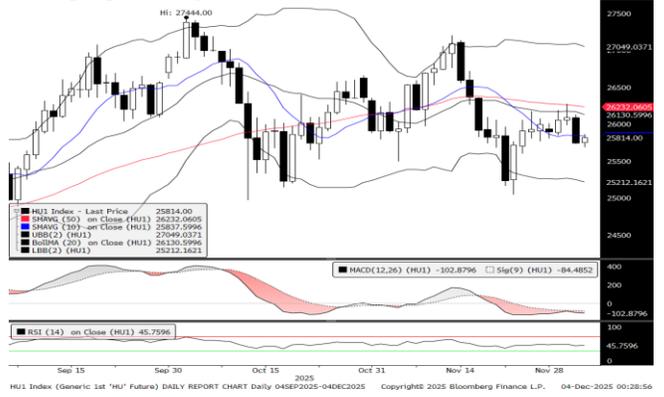
Contracts	Chg	Sett	High	Low
H. SENG FUT DEC 25	-344	25741	26132	25733
H. SENG FUT JAN 26	-344	25813	26199	25805
H. SENG FUT FEB 26	-346	25878	#N/A	#N/A
H. SENG FUT MAR 26	-344	25741	26132	25733
MINI H. SENG FUT DEC 25	-344	25741	26129	25733
MINI H. SENG FUT JAN 26	-344	25813	26197	25810
MINI H. SENG FUT MAR 26	-344	25857	26240	25850
MINI H. SENG FUT JUN 26	-344	25741	26129	25733
HSCEI FUT DEC 25	-148	9020	9182	9010
HSCEI FUT JAN 26	-157	9034	9188	9034
HSCEI FUT FEB 26	-149	9062	#N/A	#N/A
HSCEI FUT MAR 26	-148	9020	9182	9010
MINI HSCEI FUT DEC 25	-148	9020	9182	9010
MINI HSCEI FUT JAN 26	-157	9034	9200	9035
MINI HSCEI FUT MAR 26	-149	9086	9220	9090
MINI HSCEI FUT JUN 26	-148	9020	9182	9010

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	79.55	-1.25	81	79.4
**Tencent Holdings Ltd	611	-6	616	608.5
*HSBC Holdings PLC	111.2	0.2	111.4	110.6
**China Construction Bank Corp	7.84	-0.1153045	7.97	7.82
**Ping An Insurance Group	56.4	-1	57.55	56.15
**Meituan	95.9	-0.6	97.4	95.4
*Hong Kong Exchanges & Clearing Ltd	404.2	-6	410.2	403.4
**Alibaba Group Holdings Ltd	153.6	-3.4	156.6	153.1
**Xiaomi Corp	40.22	-0.48	40.94	40.1
**ICBC	6.32	-0.11	6.45	6.3

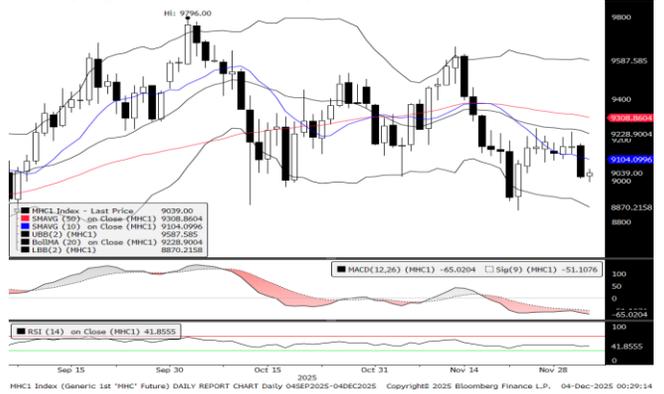
Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	30.76	-0.62	31.44	30.64
**China Mobile Ltd	86.85	-0.95	87.8	86.75
**Bank of China Ltd	4.48	-0.09	4.59	4.46
*Techtronic Industries Co Ltd	94.9	2.9	95.6	91.65
*CK Hutchison Holdings Ltd	57.15	0.3	57.2	56.5
*Link REIT	35.12	-0.58	35.68	35.08
*CLP Holding Ltd	68.2	0.4	68.3	67.7
**Geely Automobile Holdings Ltd	16.9	-0.26	17.14	16.81
**CNOOC Ltd	21.7	-0.14	21.94	21.68
**ANTA Sports Products Ltd	84.5	-1.5	85.5	84.05

Global Equity Indices	Close	Change	High	Low
Hang Seng	25760.73	-334.32	25996.88	25724.82
HSCEI	9028.55	-154.1	9136.37	9016.11
Shanghai Comp Index	3878	-19.712	3901.696	3869.953
Nikkei 225	49864.7	561.23	50138.6	49521.23
KOSPI	4036.3	41.37	4052.83	3987.76
S&P/ASX200	8595.18	15.483	8622.6	8576.3
DJIA	47882.9	408.44	47969.64	47371.62
S&P 500	6849.72	20.35	6862.42	6810.43
NASDAQ	23454.1	40.42	23499.93	23271.83
DAX	23693.7	-17.15	23838.05	23646.43
CAC	8087.42	0.16	8103.14	8051.45
FTSE100	9692.07	-9.73	9711.34	9677.67

Mini Hang Seng Futures Daily Chart



Mini Hang Seng China Enterprise Futures Daily Chart



Technical Analysis

Mini Hang Seng

1st Resistance:	26127	2nd Resistance:	26513
1st Support:	25355	2nd Support:	24969
MACD:	-82.369		
MACD DIFF:	-6.94664		
RSI:	49.8105		

Mini Hang Seng China Enterprise

1st Resistance:	9155	2nd Resistance:	9291
1st Support:	8885	2nd Support:	8749
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	--	52.9	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



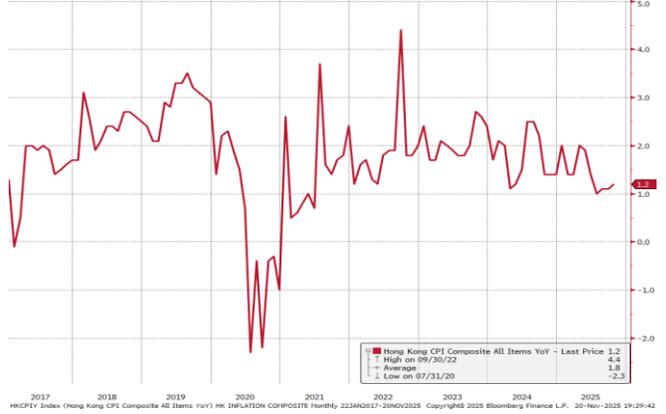
Hong Kong Base Interest Rate



Hong Kong Unemployment Rate



Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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