

Fundamentals:

Hong Kong stocks edged up on Thursday as softer data on the US jobs market reinforced bets on an interest-rate cut next week.

The Hang Seng Index rose 0.7 per cent to 25,935.90 at the close, after fluctuating between gains and losses in morning trading. The Hang Seng Tech Index rallied 1.5 per cent.

On the mainland, the CSI 300 Index gained 0.3 per cent and the Shanghai Composite Index slipped 0.1 per cent.

Gold producer Zijin Mining Group advanced 1.3 per cent to HK\$33.20, mirroring recent gains in the price of the precious metal in the run-up to the US monetary policy meeting next week. Online travel agency Trip.com Group surged 3.9 per cent to HK\$556 and smartphone maker Xiaomi added 4.4 per cent to HK\$41.98.

Tempering gains, electric vehicle maker Li Auto shed 0.5 per cent to HK\$69.40 on news the stock would be removed from the FTSE China index series. Industrial and Commercial Bank of China declined 1.6 per cent to HK\$6.22 as the stock went ex-dividend, meaning that those buying into the stock starting on Thursday would not be entitled to an interim dividend of 0.1434 yuan.

Rates traders priced in a more than 90 per cent probability of a quarter-point reduction next week after a private report indicated that US companies cut payrolls by the most since early 2023 last month. Global stocks have recovered from sell-offs as investors grow optimistic that financial loosening will underpin elevated valuations and stretch the boom on artificial intelligence.

"Expectations about a rate cut in the US have been building, and that'll keep attracting fund inflows," said Jiang Kai, an analyst at Zhesang International. "Sentiment is expected to remain optimistic in the near term."

After an almost 30 per cent gain in the Hang Seng Index in 2025, investors would be more focused on corporate earnings growth in the following year, which would be the key to determining the performance of Chinese stocks in 2026, after valuation expansion priced equities into perfection for now, according to Bank of America

In a sign of appeasing tensions with Beijing, Japanese Prime Minister Sanae Takaichi said during questioning by lawmakers that the government was committed to its stance that Taiwan was part of China. Her earlier comments on Japan's possible military involvement on the island infuriated China and led to retaliatory measures that suspended seafood imports and personnel exchanges at all levels.

A recent quarterly review by FTSE Russell of two key indexes tracking Chinese stocks may result in more than US\$850 million of capital flows, according to Goldman Sachs. Capital goods, metal and pharmaceutical companies would each attract between US\$125 million and US\$300 million in passive inflows after the quarterly rebalancing that saw the inclusion of Contemporary Amperex Technology and Jiangsu Hengrui Pharmaceuticals, it said.

Meanwhile, investors are on high alert for a rate-decision meeting by the Bank of Japan in coming weeks after governor Kazuo Ueda hinted at an imminent increase in borrowing costs. A hike would narrow the interest-rate spread between the US dollar and the yen, boosting the risk of unravelling the carry trade. Such unwinding would lead to sell-offs in dollar-denominated assets to repay yen debts, with the ramifications rippling across asset classes.

Other major Asian markets were mixed. Japan's Nikkei 225 climbed 2.3 per cent and Australia's S&P/ASX 200 added 0.3 per cent, while South Korea's Kospi retreated 0.2 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:	26340	2nd Resistance:	26730
1st Support:	25562	2nd Support:	25172
MACD:	-91.953		
MACD DIFF:	-9.65041		
RSI:	48.1109		

Mini Hang Seng China Enterprise

1st Resistance:	9242	2nd Resistance:	9378
1st Support:	8968	2nd Support:	8832
MACD:	-59.756		
MACD DIFF:	-9.700		
RSI:	45.1104		

Contracts	Chg	Sett	High	Low
H. SENG FUT DEC 25	210	25951	26045	25681
H. SENG FUT JAN 26	212	26025	26100	25758
H. SENG FUT FEB 26	211	26089	#N/A	#N/A
H. SENG FUT MAR 26	210	25951	26045	25681
MINI H. SENG FUT DEC 25	210	25951	26044	25682
MINI H. SENG FUT JAN 26	212	26025	26110	25751
MINI H. SENG FUT MAR 26	210	26067	26150	25826
MINI H. SENG FUT JUN 26	210	25951	26044	25682
HSCEI FUT DEC 25	85	9105	9145	8992
HSCEI FUT JAN 26	97	9131	9145	9036
HSCEI FUT FEB 26	85	9147	#N/A	#N/A
HSCEI FUT MAR 26	85	9105	9145	8992
MINI HSCEI FUT DEC 25	85	9105	9145	8993
MINI HSCEI FUT JAN 26	97	9131	9162	9029
MINI HSCEI FUT MAR 26	90	9176	9207	9060
MINI HSCEI FUT JUN 26	85	9105	9145	8993

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	79	-0.55	79.9	78.6
**Tencent Holdings Ltd	612	1	613	605
*HSBC Holdings PLC	111.5	0.3	111.5	110.3
**China Construction Bank Corp	7.92	0.08	7.96	7.84
**Ping An Insurance Group	56.65	0.25	56.95	56.15
**Meituan	98.1	2.2	98.8	96.25
*Hong Kong Exchanges & Clearing Ltd	406.4	2.2	407	402.2
**Alibaba Group Holdings Ltd	154.4	0.8	155.1	152.5
**Xiaomi Corp	41.98	1.76	42.16	40.18
**ICBC	6.22	0.055683	6.25	6.16

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	32.94	2.18	33.22	30.9
**China Mobile Ltd	87	0.15	87.25	86.35
**Bank of China Ltd	4.51	0.03	4.52	4.47
*Techtronic Industries Co Ltd	95.1	0.2	95.2	93.6
*CK Hutchison Holdings Ltd	57.5	0.35	57.75	57.15
*Link REIT	35.28	0.16	35.36	35.04
*CLP Holding Ltd	68.75	0.55	69.1	68.1
**Geely Automobile Holdings Ltd	17.43	0.53	17.46	16.71
**CNOOC Ltd	21.9	0.2	22.08	21.7
**ANTA Sports Products Ltd	83.7	-0.8	85.45	83.5

Global Equity Indices	Close	Change	High	Low
Hang Seng	25935.90	175.17	25990.73	25649.3
HSCEI	9106.48	77.93	9130.66	8999.25
Shanghai Comp Index	3875.79	-2.207	3888.86	3859.049
Nikkei 225	51028.4	1163.74	51028.42	49910.06
KOSPI	4028.51	-7.79	4028.53	3982.54
S&P/ASX200	8618.44	23.257	8618.4	8566.7
DJIA	47850.9	-31.96	48049.72	47692.96
S&P 500	6857.12	7.4	6866.47	6827.12
NASDAQ	23505.1	51.05	23528.53	23372.33
DAX	23882	188.32	23930.52	23797.71
CAC	8122.03	0.43	8137.65	8098.09
FTSE100	9710.87	18.8	9727.57	9674.78

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



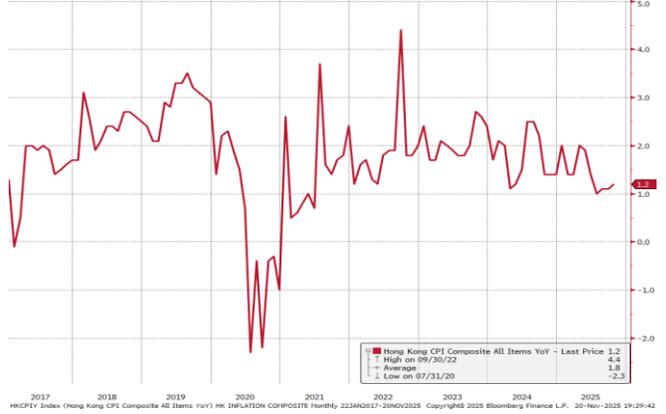
Hong Kong Base Interest Rate



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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