

Fundamentals:

Hong Kong stocks traded sideways on Thursday, with technology stocks retreating on growing anxiety that a global boom in artificial intelligence could turn into a bubble.

The Hang Seng Index edged up 0.1 per cent to 25,498.13 at the close. The Hang Seng Tech Index dropped 0.7 per cent. On the mainland, the CSI 300 Index slid 0.6 per cent and the Shanghai Composite Index added 0.2 per cent.

Xiaomi, the Chinese smartphone and electric vehicle maker, tumbled 2.5 per cent to HK\$40.20 and Pop Mart International Group, maker of blockbuster plush toy Labubu, shed 1.3 per cent to HK\$193.20 on concerns about whether its profitability could be sustained. Alibaba Group Holding lost 1.3 per cent to HK\$144.10 and Baidu slipped 0.8 per cent to HK\$117.60.

On the upside, China Petroleum and Chemical Corp, also known as Sinopec, rallied 6.5 per cent to HK\$8.01 and China Merchants Bank added 2.4 per cent to HK\$50.60.

Sentiment was skittish on the back of the overnight rout in US equities, with the Nasdaq 100 losing almost 2 per cent. With valuations at lofty levels, stocks were vulnerable to even slightly negative news headlines. Oracle, a proxy for AI infrastructure investments, tumbled more than 5 per cent after a long-time partner reportedly refused to finance a US\$10 billion data centre. The episode added to concerns about the scale of AI spending by US tech companies and whether these outsize investments could generate the returns investors expect.

"Concerns about tech names have intensified," said Chen Meng, an analyst at Soochow Securities. "There are some cases of AI sales falling short of investors' high expectations, thus raising the doubt about an AI bubble. Stocks need to wait for fresh catalysts before they can come back."

Investors are also keeping an eye on the US November inflation data due on Thursday night. A soft reading will bolster the case for the Federal Reserve to cut interest rates in January, a move that could ease concerns about the frothy valuations of AI-linked stocks. Consumer prices probably rose 3.1 per cent from a year ago in November, compared with a 3 per cent increase in September, according to the consensus estimate of economists surveyed by Bloomberg.

Stocks will face a test on Friday, when the Bank of Japan is widely anticipated to raise the benchmark borrowing cost by a quarter point. The move may jolt global financial markets by an unwinding of the Japanese yen carry trade, in which investors borrow the cheaper Japanese currency to reinvest in other high-yield assets. A rate increase in Japan in July last year spurred turmoil in US stocks and Treasuries, with investors selling assets backed by the carry trade to repay their yen-denominated debts.

Elsewhere, China International Capital Corp surged 3.6 per cent to HK\$19.65, as the stock resumed trading to end a month-long suspension after unveiling a detailed plan to absorb two smaller brokerages through stock swaps. Its Shanghai-listed stock jumped 3.7 per cent to 36.18 yuan.

The Hang Seng Index would probably end 2026 at 29,500, which would represent about a 15 per cent gain from the benchmark's current level, according to China Galaxy Securities International. The upside would be fuelled by a receding geopolitical risk, the Fed's rate cut and an earnings recovery, Edith Qian, an analyst at the brokerage, wrote in a report on Wednesday.

"Potential structural drivers for earnings recovery include profit boost from AI investment, reflation from ongoing 'anti-involution' efforts and profit enhancement from rising global exposure given Chinese companies' widely adopted 'going global' strategy," she said.

Other major Asian markets mostly headed south. Japan's Nikkei 225 slid 1 per cent and South Korea's Kospi retreated 1.5 per cent, while Australia's S&P/ASX 200 was little changed.

(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: 25897 2nd Resistance: 26279
 1st Support: 25131 2nd Support: 24749
 MACD: -167.912
 MACD DIFF: -29.0926
 RSI: 44.9237

Mini Hang Seng China Enterprise

1st Resistance: 8981 2nd Resistance: 9113
 1st Support: 8715 2nd Support: 8583
 MACD: -104.338
 MACD DIFF: -20.998
 RSI: 40.4648

Contracts	Chg	Sett	High	Low
H. SENG FUT DEC 25	65	25514	25598	25250
H. SENG FUT JAN 26	70	25578	25655	25330
H. SENG FUT FEB 26	65	25649	#N/A	#N/A
H. SENG FUT MAR 26	65	25514	25598	25250
MINI H. SENG FUT DEC 25	65	25514	25598	25257
MINI H. SENG FUT JAN 26	70	25578	25656	25320
MINI H. SENG FUT MAR 26	61	25610	25688	25374
MINI H. SENG FUT JUN 26	65	25514	25598	25257
HSCEI FUT DEC 25	7	8848	8888	8757
HSCEI FUT JAN 26	7	8867	8902	8785
HSCEI FUT FEB 26	7	8888	#N/A	#N/A
HSCEI FUT MAR 26	7	8848	8888	8757
MINI HSCEI FUT DEC 25	7	8848	8888	8758
MINI HSCEI FUT JAN 26	7	8867	8904	8777
MINI HSCEI FUT MAR 26	4	8904	8940	8825
MINI HSCEI FUT JUN 26	7	8848	8888	8758

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	81.35	0.4	82	80
**Tencent Holdings Ltd	605	0	606	599
*HSBC Holdings PLC	118.7	1.2	118.8	117.5
**China Construction Bank Corp	7.52	0.09	7.54	7.38
**Ping An Insurance Group	65.2	0.15	65.55	64.25
**Meituan	101.4	0.1	102.1	100.2
*Hong Kong Exchanges & Clearing Ltd	401.8	3.4	403.4	395
**Alibaba Group Holdings Ltd	144.1	-1.9	144.9	142.9
**Xiaomi Corp	40.2	-1.02	40.44	39.9
**ICBC	6.12	0.09	6.13	6

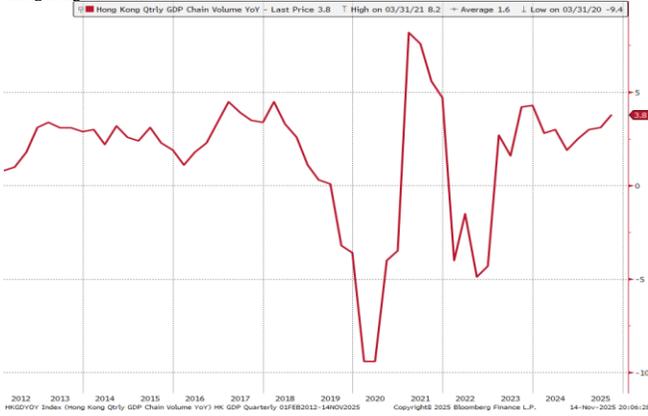
Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	32.72	0.18	33.18	31.96
**China Mobile Ltd	84.05	-0.4	84.55	83.35
**Bank of China Ltd	4.38	0.04	4.39	4.32
*Techtronic Industries Co Ltd	91.2	1.4	91.2	88.2
*CK Hutchison Holdings Ltd	54.1	0.05	54.3	53.8
*Link REIT	34.58	0.32	34.82	34.14
*CLP Holding Ltd	69	0.3	69.1	68.6
**Geely Automobile Holdings Ltd	16.79	0.23	16.81	16.26
**CNOOC Ltd	20.36	0.2	20.48	20.02
**ANTA Sports Products Ltd	82	-1	83	81.05

Global Equity Indices	Close	Change	High	Low
Hang Seng	25498.13	29.35	25511.84	25261.38
HSCEI	8841.51	-2.06	8848.34	8756.41
Shanghai Comp Index	3876.37	6.093	3888.285	3856.423
Nikkei 225	49001.5	-510.78	49169.79	48643.78
KOSPI	3994.51	-61.9	4030.65	3975.5
S&P/ASX200	8588.2	3.012	8588.2	8553
DJIA	47951.9	65.88	48365.93	47849.48
S&P 500	6774.76	53.33	6816.13	6758.5
NASDAQ	23006.4	313.04	23149.61	22906.23
DAX	24199.5	238.91	24215.98	23923.97
CAC	8150.64	0.8	8166.72	8086.59
FTSE100	9837.77	63.45	9845.1	9748.26

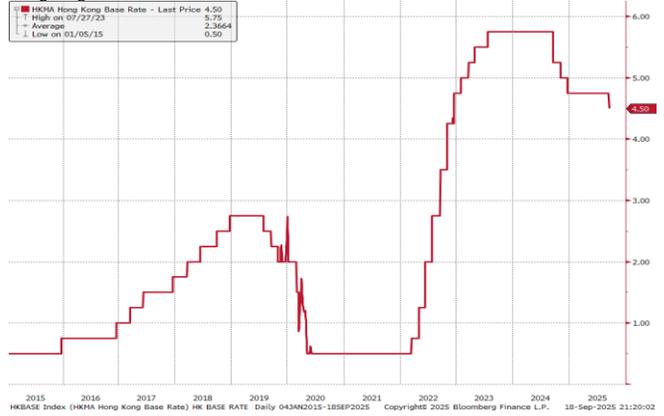
Hong Kong Economic Releases	Period	Survey	Actual	Prior	Revised	
11/28/2025 16:30	Money Supply M1 HKD YoY	Oct	--	12.30%	11.50%	--
11/28/2025 16:30	Money Supply M2 HKD YoY	Oct	--	3.50%	4.50%	--
11/28/2025 16:30	Money Supply M3 HKD YoY	Oct	--	3.50%	4.50%	--
12/01/2025 16:30	Retail Sales Value YoY	Oct	4.70%	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	--	7.7%	4.00%	--
12/16/2025 16:30	Unemployment Rate SA	Nov	3.8	3.8%	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%	8.00%	8.20%	--
12/09/2025-12/15/2025	Money Supply M1 YoY	Nov	5.70%	4.90%	6.20%	--
12/09/2025-12/15/2025	Money Supply M0 YoY	Nov	--	10.60%	10.60%	--
12/10/2025 09:30	PPI YoY	Nov	-2.00%	-2.20%	-2.10%	--
12/10/2025 09:30	CPI YoY	Nov	0.70%	0.70%	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%	1.30%	2.90%	--
12/15/2025 10:00	Retail Sales YTD YoY	Nov	4.30%	4.00%	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	--

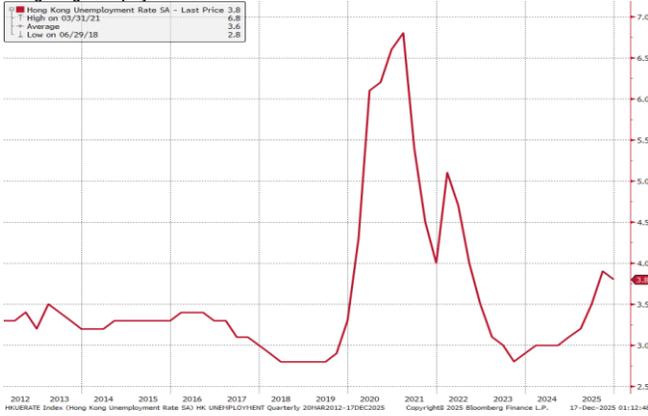
Hong Kong GDP Q on Q



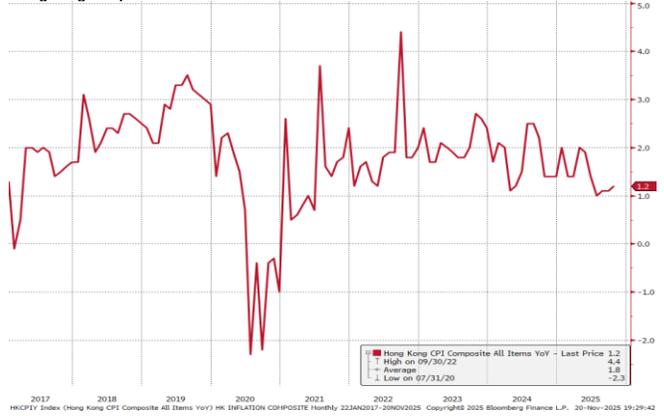
Hong Kong Base Interest Rate



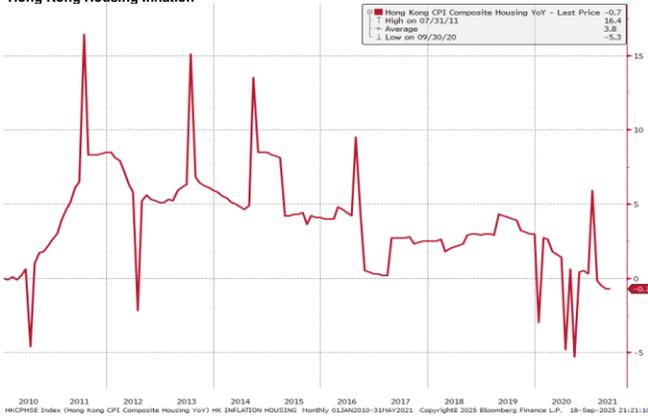
Hong Kong Unemployment Rate



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

Disclaimer: This document has been prepared for general circulation based on information obtained from sources believed to be reliable but we do not make any representations as to its accuracy or completeness.

Any recommendation contained in this document does not have regard to the specific investment objectives, financial background and the particular needs of any person who may read this document.

This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement and assessment by addressees in relation to any investment decision.

Kenanga Futures Sdn Bhd accepts no liability whatsoever for any direct or consequential loss arising from any use of this document or any solicitations of an offer to buy or sell any securities/underlying securities.

Kenanga Futures Sdn Bhd and its associates, their directors, and/or employees may have positions in, and may effect transactions in securities/underlying securities mentioned herein from time to time in the open market or otherwise, and may receive brokerage fees or act as principal or agent in dealings with respect to these companies.