

Fundamentals:

Hong Kong stocks rose for a third day on Friday, sending the benchmark gauge to its longest winning streak in three weeks, after softer US inflation data bolstered the case for monetary easing and allayed concerns about frothy valuations of global equities.

The Hang Seng Index advanced 0.8 per cent to 25,690.53 at the close, paring the weekly loss to 1.1 per cent. The Hang Seng Tech Index gained 1.1 per cent. On the mainland, the CSI 300 Index climbed 0.3 per cent and the Shanghai Composite Index added 0.4 per cent.

Chinese pharmaceutical firms led the gains on rising optimism that the country will emerge as a global hub for innovative drugs. Inovvent Biologics rallied 2.1 per cent to HK\$83.25 and Wuxi AppTec added 1.5 per cent to HK\$103.80. Chow Tai Fook Jewellery Group gained 3.1 per cent to HK\$12.70 after raising prices of some of its products. Alibaba Group Holding rose 0.8 per cent to HK\$145.30 and Tencent Holdings added 1.5 per cent to HK\$61.4.

Cooling US inflation is expected to ease jitters about a potential global bubble in artificial intelligence, which has been fuelled by massive spending in data centres and lofty valuations of tech titans from Nvidia to Microsoft. Global stocks have been oscillating wildly this week as investors navigate through a complicated macro environment after a strong labour market report earlier in the week tamped down bets on immediate monetary easing and spurred self-offs in equities.

"Lower-than-expected inflation has left more room for the US Federal Reserve to cut interest rates," said Yan Xiang, an analyst at Founder Securities. "The next window for a reduction may start in March. The easing narrative is positive for stocks and we might see some rotation from technology stocks with high valuations and concentrations."

Core US inflation accelerated at 2.6 per cent in November, the slowest pace since early 2021, according to official data released on Thursday night. Overall consumer prices rose 2.7 per cent year on year, compared with the consensus estimate of a 3.1 per cent increase.

The Hang Seng Index still finished the week lower because of the big losses in the first two trading days triggered by the AI bubble concerns. Xiaomi, Baidu and Alibaba Group Holding were among the biggest decliners for the week, sliding more than 5 per cent. On the plus side, Chinese sportswear maker Li Ning and CSPC Pharmaceutical Group emerged among the best performers with gains of about 7 per cent.

Two companies started trading in Hong Kong. Xizang Zhihui Mining, a zinc processor, surged 91 per cent to HK\$8.60 and truck maker CIDi slid 14 per cent to HK\$227.

The Japanese yen weakened against major currencies after the Bank of Japan raised the benchmark interest rate by 25 basis points as expected. The depreciation suggested that the hike had already been fully priced in and eased fears of a repeat of the mayhem that hit the global financial market when Japan increased the borrowing cost by 25 basis points in July last year.

"Looking ahead, the Bank of Japan is likely to continue hiking rates gradually without explicitly indicating where it sees the terminal rate," said Hirofumi Suzuki, a strategist at Sumitomo Mitsui Banking. "At the same time, a rapid pace of tightening is not expected, and downward pressure on the yen in the forex market is likely to remain persistent."

Other major Asian markets rose. Japan's Nikkei 225 climbed 1 per cent, South Korea's Kospi rose 0.7 per cent and Australia's S&P/ASX 200 added 0.5 per cent.

(Source: South China Morning Post)

Contracts	Chg	Sett	High	Low
H. SENG FUT DEC 25	211	25725	25790	25496
H. SENG FUT JAN 26	211	25789	25841	25560
H. SENG FUT FEB 26	212	25861	#N/A	#N/A
H. SENG FUT MAR 26	211	25725	25790	25496
MINI H. SENG FUT DEC 25	211	25725	25790	25496
MINI H. SENG FUT JAN 26	211	25789	25846	25559
MINI H. SENG FUT MAR 26	215	25825	25880	25600
MINI H. SENG FUT JUN 26	211	25725	25790	25496
HSCEI FUT DEC 25	65	8913	8937	8846
HSCEI FUT JAN 26	66	8933	8955	8868
HSCEI FUT FEB 26	65	8953	#N/A	#N/A
HSCEI FUT MAR 26	65	8913	8937	8846
MINI HSCEI FUT DEC 25	65	8913	8937	8846
MINI HSCEI FUT JAN 26	66	8933	8954	8870
MINI HSCEI FUT MAR 26	69	8973	8994	8907
MINI HSCEI FUT JUN 26	65	8913	8937	8846

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	82.5	1.15	82.5	81.05
**Tencent Holdings Ltd	614	9	617.5	607
*HSBC Holdings PLC	119.3	0.6	119.8	118.6
**China Construction Bank Corp	7.49	-0.03	7.59	7.49
**Ping An Insurance Group	65.45	0.25	65.8	64.6
**Meituan	102.7	1.3	104.5	101.7
*Hong Kong Exchanges & Clearing Ltd	407	5.2	407	402.8
**Alibaba Group Holdings Ltd	145.3	1.2	146.7	144.2
**Xiaomi Corp	40.54	0.34	40.64	39.9
**ICBC	6.12	0	6.17	6.09

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	34.16	1.44	34.86	32.64
**China Mobile Ltd	83.9	-0.15	84.8	83.6
**Bank of China Ltd	4.42	0.04	4.42	4.38
*Techtronic Industries Co Ltd	91.8	0.6	93.7	91.2
*CK Hutchison Holdings Ltd	54.7	0.6	54.7	53.8
*Link REIT	34.98	0.4	34.98	34.62
*CLP Holding Ltd	68.85	-0.15	69.1	68.7
**Geely Automobile Holdings Ltd	16.96	0.17	17.05	16.57
**CNOOC Ltd	20.38	0.02	20.5	20.2
**ANTA Sports Products Ltd	81.5	-0.5	82.7	80.9

Global Equity Indices	Close	Change	High	Low
Hang Seng	25690.53	192.4	25747.01	25545.92
HSCEI	8901.23	59.72	8924.16	8850.52
Shanghai Comp Index	3890.45	14.077	3902.671	3871.777
Nikkei 225	49507.2	505.71	49766.96	49257.15
KOSPI	4020.55	26.04	4055.78	3997.05
S&P/ASX200	8621.35	33.151	8647.5	8614.1
DJIA	48134.9	183.04	48289.63	47974.82
S&P 500	6834.5	59.74	6840.02	6792.62
NASDAQ	23307.6	301.26	23307.91	23106.19
DAX	24288.4	88.9	24305.82	24153.23
CAC	8151.38	0.01	8177.75	8131.06
FTSE100	9897.42	59.65	9903.13	9819.44

Mini Hang Seng Futures Daily Chart



Mini Hang Seng China Enterprise Futures Daily Chart



Technical Analysis

Mini Hang Seng

1st Resistance:	26111	2nd Resistance:	26497
1st Support:	25339	2nd Support:	24953
MACD:	-149.118		
MACD DIFF:	-8.23899		
RSI:	48.5088		

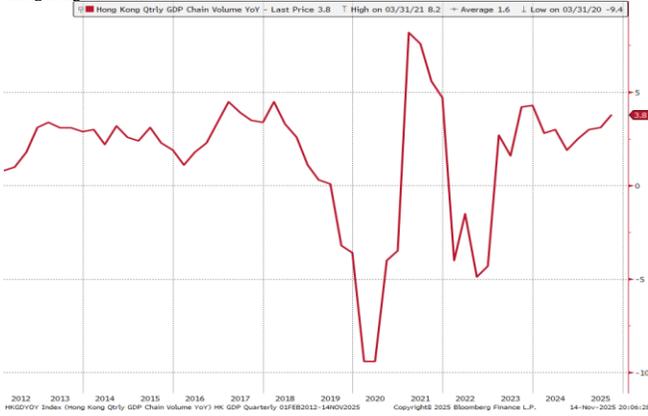
Mini Hang Seng China Enterprise

1st Resistance:	9047	2nd Resistance:	9180
1st Support:	8779	2nd Support:	8646
MACD:	-100.359		
MACD DIFF:	-13.615		
RSI:	43.6173		

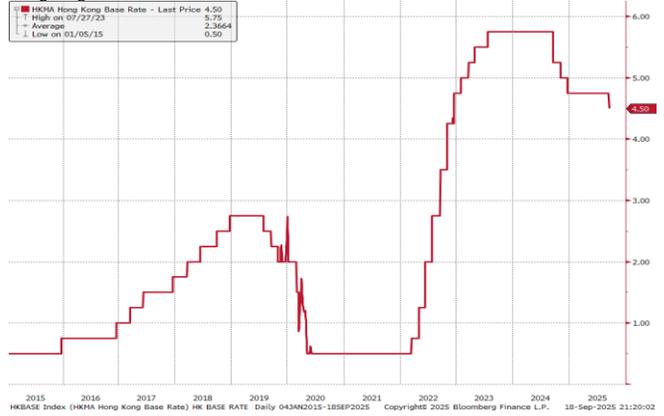
Hong Kong Economic Releases	Period	Survey	Actual	Prior	Revised	
11/28/2025 16:30	Money Supply M1 HKD YoY	Oct	--	12.30%	11.50%	--
11/28/2025 16:30	Money Supply M2 HKD YoY	Oct	--	3.50%	4.50%	--
11/28/2025 16:30	Money Supply M3 HKD YoY	Oct	--	3.50%	4.50%	--
12/01/2025 16:30	Retail Sales Value YoY	Oct	4.70%	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	--

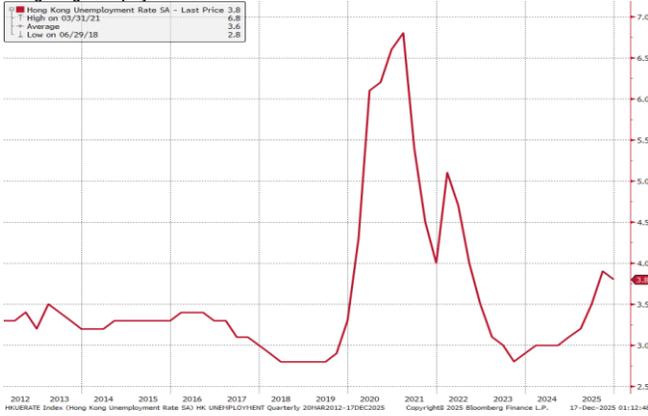
Hong Kong GDP Q on Q



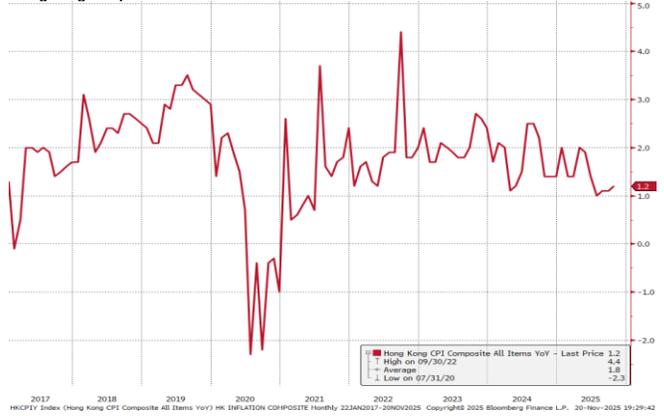
Hong Kong Base Interest Rate



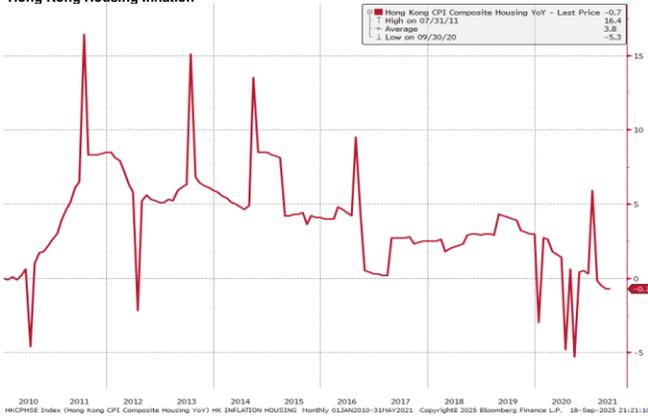
Hong Kong Unemployment Rate



Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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