

**Fundamentals:**

Hong Kong stocks kicked off the last two and a half trading days of the year on a subdued note on Monday, as transactions slowed down and a government report showed that Chinese industrial companies posted a bigger profit decline.

The Hang Seng Index sank 0.7 per cent to 25,635.23 at the close, giving up an earlier gain of as much as 1 per cent spurred by expectations about policies from Beijing to shore up growth and a so-called Santa Claus rally in global equities. The Hang Seng Tech Index lost 0.3 per cent.

Shares worth HK\$224.5 billion (US\$28.9 billion) changed hands in Hong Kong throughout the day, 10 per cent below the average for the year.

On the mainland, the CSI 300 Index fell 0.4 per cent and the Shanghai Composite Index was little changed.

It is the second consecutive shortened trading week for Hong Kong's stock market, with investors returning on Monday after last week's two-day Christmas holiday. The city's financial market will trade for half a day on Wednesday and close on Thursday for New Year's Day. Mainland's markets will be closed on Thursday and Friday.

Xiaomi shed 1.6 per cent to HK\$38.58 after a co-founder planned to cut his stake in the smartphone and electric-car maker. Alibaba Group Holding slid 1.9 per cent to HK\$143.30 and Tencent Holdings dropped 1.1 per cent to HK\$596.50.

Limiting the losses, electric vehicle maker BYD rallied 3.7 per cent to HK\$97.10 after China's finance ministry said it would extend a trade-in programme for consumer goods into 2026. Peer Li Auto gained 1.6 per cent to HK\$66.10.

"As the holiday draws nearer, trading would be light and Hong Kong stocks are expected to remain rangebound," said Yang Chao, an analyst at China Galaxy Securities.

Sentiment was swinging between a deteriorating growth outlook and bets that Beijing would ramp up fiscal expansion and monetary easing next year to prop up the economy. Extending this year's solid run in equities would require bolder stimulus measures from policymakers, particularly to arrest the persistent decline in home prices, traders said.

The Hang Seng Index is set to close 2025 with an almost 30 per cent gain, making it one of the best-performing major equity gauges globally.

In the latest sign of stalled growth, profit declines for Chinese industrial companies accelerated to 13.1 per cent in November from 5.5 per cent a month earlier, the National Bureau of Statistics said on Saturday.

A day later, the Ministry of Finance said after a two-day national fiscal work conference that China would ramp up fiscal spending to spur consumer demand and shore up investment in public services next year.

The unfolding Santa Claus Rally, which saw global and US equities trade near record highs, failed to lift sentiment in Hong Kong. The term refers to a pattern where stocks rise in the last five trading days of the year and the first two days of the new one, often setting the tone for equity performances in the year ahead.

Elsewhere, UBTech Robotics jumped 9.1 per cent to HK\$119.50 after winning two government projects valued at 130 million yuan (US\$18.6 million) in total.

After a year-long rally in Chinese stocks powered by multiple expansion as confidence recovered, investors now said the bull run could find fresh legs in 2026 – this time underpinned by stronger earnings growth. Supportive macro policy, the push for technological self-reliance and Beijing's effort to retire obsolete capacity in parts of the green industry were expected to lift margins and profits, according to traders and investment banks.

Other major Asian markets were mixed. Japan's Nikkei 225 and Australia's S&P/ASX 200 both slipped 0.4 per cent, while South Korea's Kospi jumped 2.2 per cent.

(Source: South China Morning Post)

Contracts	Chg	Sett	High	Low
H. SENG FUT DEC 25	-175	25635	26114	25615
H. SENG FUT JAN 26	-197	25668	26159	25647
H. SENG FUT FEB 26	-181	25732	26692	25941
H. SENG FUT MAR 26	-175	25635	26114	25615
MINI H. SENG FUT DEC 25	-175	25635	26114	25615
MINI H. SENG FUT JAN 26	-197	25668	26159	25649
MINI H. SENG FUT MAR 26	-192	25717	26190	25700
MINI H. SENG FUT JUN 26	-175	25635	26114	25615
HSCEI FUT DEC 25	-38	8890	9064	8885
HSCEI FUT JAN 26	-39	8898	9075	8894
HSCEI FUT FEB 26	-38	8924	#N/A	#N/A
HSCEI FUT MAR 26	-38	8890	9064	8885
MINI HSCEI FUT DEC 25	-38	8890	9064	8886
MINI HSCEI FUT JAN 26	-39	8898	9074	8895
MINI HSCEI FUT MAR 26	-44	8936	9107	8935
MINI HSCEI FUT JUN 26	-38	8890	9064	8886

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	82.2	-1.05	84.1	82.15
**Tencent Holdings Ltd	596.5	-6.5	611	596
*HSBC Holdings PLC	121.9	-1.9	123.7	121.5
**China Construction Bank Corp	7.62	0.06	7.7	7.55
**Ping An Insurance Group	66.4	0.2	68.1	66.2
**Meituan	104.2	1	106.7	103.8
*Hong Kong Exchanges & Clearing Ltd	408.2	-1.8	416.4	408.2
**Alibaba Group Holdings Ltd	143.3	-2.7	148.5	143.3
**Xiaomi Corp	38.58	-0.64	39.96	37.94
**ICBC	6.23	0.1	6.26	6.12

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	31.84	-0.76	32.96	31.78
**China Mobile Ltd	81.8	-1	83.7	81.6
**Bank of China Ltd	4.44	0.01	4.5	4.4
*Techtronic Industries Co Ltd	91.1	-0.75	94.15	91
*CK Hutchison Holdings Ltd	53.45	-1.85	55.3	52.95
*Link REIT	34.78	-0.24	35.28	34.74
*CLP Holding Ltd	69.3	-0.5	70.1	69.1
**Geely Automobile Holdings Ltd	17.5	0.58	17.94	17.36
**CNOOC Ltd	20.64	0.04	21.06	20.46
**ANTA Sports Products Ltd	80.3	-1.4	82.2	80

Global Equity Indices	Close	Change	High	Low
Hang Seng	25635.23	-183.7	26082.94	25630.75
HSCEI	8891.71	-23.41	9053.06	8887.96
Shanghai Comp Index	3965.28	1.601	3983.979	3956.946
Nikkei 225	50526.9	-223.47	50707.23	50347.65
KOSPI	4220.56	90.88	4220.56	4146.48
S&P/ASX200	8725.73	-36.975	8784.2	8725.7
DJIA	48529.9	-181.06	48704.83	48390.91
S&P 500	6902.07	-27.87	6920.21	6888.76
NASDAQ	23470.5	-122.59	23531.02	23397.52
DAX	24351.1	11.06	24389.15	24253.73
CAC	8112.02	0.1	8132.59	8087.48
FTSE100	9866.53	-4.15	9892.79	9858.46

**Mini Hang Seng Futures Daily Chart**



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



**Technical Analysis**

**Mini Hang Seng**

1st Resistance:	26020	2nd Resistance:	26404
1st Support:	25250	2nd Support:	24866
MACD:	-68.293		
MACD DIFF:	28.7934		
RSI:	46.231		

**Mini Hang Seng China Enterprise**

1st Resistance:	9023	2nd Resistance:	9157
1st Support:	8757	2nd Support:	8623
MACD:	-72.792		
MACD DIFF:	8.664		
RSI:	42.5836		

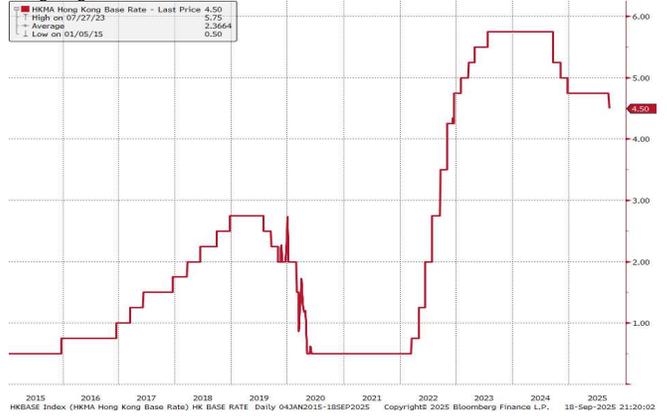
Hong Kong Economic Releases	Period	Survey	Actual	Prior	Revised	
11/28/2025 16:30	Money Supply M1 HKD YoY	Oct	--	12.30%	11.50%	--
11/28/2025 16:30	Money Supply M2 HKD YoY	Oct	--	3.50%	4.50%	--
11/28/2025 16:30	Money Supply M3 HKD YoY	Oct	--	3.50%	4.50%	--
12/01/2025 16:30	Retail Sales Value YoY	Oct	4.70%	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	--	\$98.18b	\$92.56b	\$95.81b
12/22/2025 16:30	BoP Overall	3Q	--	-\$136.52b	\$105.54b	--
12/22/2025 16:30	CPI Composite YoY	Nov	1.30%	1.20%	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	--

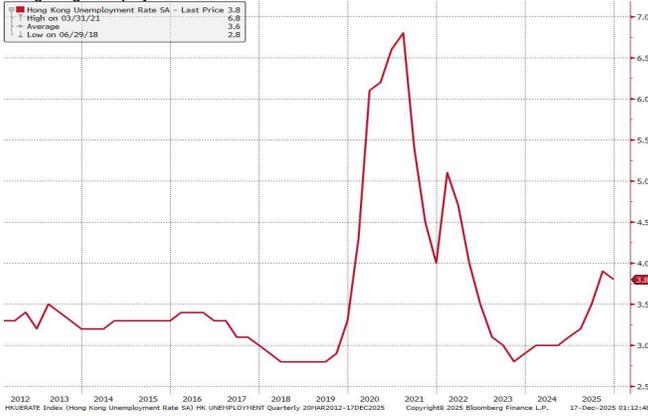
### Hong Kong GDP Q on Q



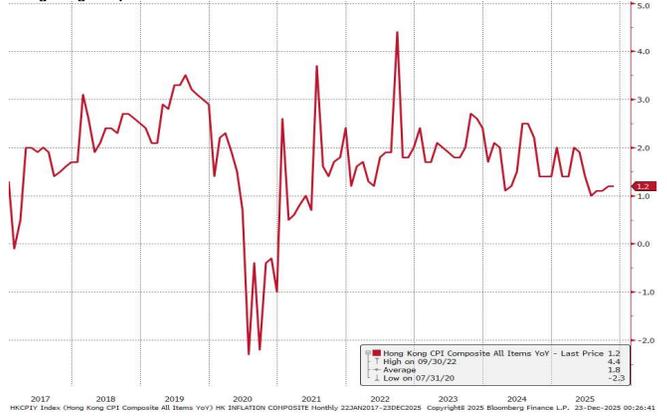
### Hong Kong Base Interest Rate



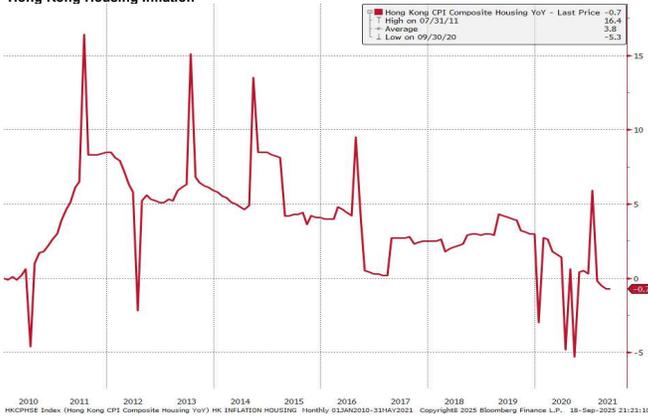
### Hong Kong Unemployment Rate



### Hong Kong Composite Inflation



### Hong Kong Housing Inflation



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



(Source: Bloomberg)

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