

Fundamentals:

Hong Kong stocks closed higher on the last full trading day of the year on Tuesday, as investors geared up for more clarity on policy signals in 2026 and the Chinese yuan strengthened to its strongest level in more than two years.

The Hang Seng Index rose 0.9 per cent to 25,854.60 at the close. The Hang Seng Tech Index gained 1.7 per cent. On the mainland, the CSI 300 Index added 0.3 per cent and the Shanghai Composite Index finished almost unchanged.

A strengthening yuan boosted the appeal of China-linked assets. The onshore yuan rose to 6.9908 against the US dollar, surpassing 7-mark for the first time since May 2023.

The Hang Seng Index is poised to end the year with an almost 30 per cent gain for its best annual performance since 2017, after global investors returned amid receding geopolitical tensions and China growth supported by resilient exports. For the rally to extend into 2026, investors need more faith in forceful stimulus measures from Beijing and further monetary easing by the Federal Reserve to underpin the already stretched valuations of tech companies.

"The foundation for China's economic recovery still needs to be consolidated," said Zhao Yang, an analyst at Sealand Securities. "But looking forward, some catalysts could be on the way, such as a cut in the banks' reserve requirement ratio in China in January, more support for the property market and the boost to Fed rate cuts by its new chair."

Trading was light before the New Year's Day holiday. Turnover on the city's exchange was 26 per cent below the 180-day average on the day, according to Bloomberg data. Hong Kong's markets will be closed for the afternoon session on Wednesday and for the full day on Thursday.

Search engine operator Baidu surged 8.9 per cent to HK\$129.70, and chipmaker Semiconductor Manufacturing International Corp rallied 4.2 per cent to HK\$72.50. Alibaba Group Holding gained 0.8 per cent to HK\$144.50 and online game operator NetEase added 2.6 per cent to HK\$221.80. On the downside, Pop Mart International Group tumbled 4.6 per cent to HK\$190.80 on a media report of falling reseller demand for its hit plush toy Labubu.

In a sign of tensions across the Taiwan Strait, the Chinese army began a second day of live-fire drills on Tuesday in apparent response to a US arms sale worth a record US\$11 billion to the island. US President Donald Trump downplayed the military exercise.

China Silver Group tumbled by as much as 7 per cent to trade 1.4 per cent lower at HK\$0.70 after a 9 per cent slump in the metal overnight.

Six companies debuted on the Hong Kong stock exchange on Tuesday, marking one of the busiest days for initial public offerings (IPOs) on the city's exchange and capping a robust recovery in new offerings this year.

The six debutants raised a combined HK\$6.99 billion (US\$899 million). Among them, US drug-discovery firm Insilico Medicine jumped 25 per cent from the offer price to HK\$29.98, USAS Building System (Shanghai) rose 7.6 per cent to HK\$7.64 and Beijing 51WORLD Digital Twin Technology surged 30 per cent to HK\$39.62.

Other major Asian markets all headed south. Japan's Nikkei 225 slipped 0.4 per cent, South Korea's Kospi fell 0.2 per cent and Australia's S&P/ASX 200 lost 0.1 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:	26195	2nd Resistance:	26582
1st Support:	25421	2nd Support:	25034
MACD:	-56.667		
MACD DIFF:	32.336		
RSI:	50.1785		

Mini Hang Seng China Enterprise

1st Resistance:	9111	2nd Resistance:	9245
1st Support:	8841	2nd Support:	8707
MACD:	-63.843		
MACD DIFF:	14.090		
RSI:	48.1377		

Contracts	Chg	Sett	High	Low
H. SENG FUT DEC 25	173	25808	25821	25534
H. SENG FUT JAN 26	257	25925	25969	25568
H. SENG FUT FEB 26	253	25985	25950	25037
H. SENG FUT MAR 26	173	25808	25821	25534
MINI H. SENG FUT DEC 25	173	25808	25820	25533
MINI H. SENG FUT JAN 26	257	25925	25971	25567
MINI H. SENG FUT MAR 26	248	25965	26010	25615
MINI H. SENG FUT JUN 26	173	25808	25820	25533
HSCEI FUT DEC 25	86	8976	8981	8858
HSCEI FUT JAN 26	116	9014	9029	8869
HSCEI FUT FEB 26	110	9034	9349	9000
HSCEI FUT MAR 26	86	8976	8981	8858
MINI HSCEI FUT DEC 25	86	8976	8981	8859
MINI HSCEI FUT JAN 26	116	9014	9028	8870
MINI HSCEI FUT MAR 26	114	9050	9065	8904
MINI HSCEI FUT JUN 26	86	8976	8981	8859

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	81.65	-0.55	82.05	80.75
**Tencent Holdings Ltd	600	3.5	601	594
*HSBC Holdings PLC	123	1.1	123.3	121.2
**China Construction Bank Corp	7.72	0.1	7.79	7.59
**Ping An Insurance Group	65.95	-0.45	66.4	65.25
**Meituan	104.3	0.1	105.1	103.7
*Hong Kong Exchanges & Clearing Ltd	408.6	0.4	410.8	404
**Alibaba Group Holdings Ltd	144.5	1.2	145.7	143.2
**Xiaomi Corp	39.36	0.78	39.72	38.46
**ICBC	6.27	0.04	6.31	6.2

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	32.06	0.22	32.08	31.3
**China Mobile Ltd	82.1	0.3	82.75	81.7
**Bank of China Ltd	4.49	0.05	4.53	4.41
*Techtronic Industries Co Ltd	91.9	0.8	92.75	90.9
*CK Hutchison Holdings Ltd	53.25	-0.2	53.45	52.55
*Link REIT	34.8	0.02	34.98	34.6
*CLP Holding Ltd	69.75	0.45	69.95	69.2
**Geely Automobile Holdings Ltd	18.02	0.52	18.06	17.44
**CNOOC Ltd	21.46	0.82	21.7	20.72
**ANTA Sports Products Ltd	80.8	0.5	81.5	80.2

Global Equity Indices	Close	Change	High	Low
Hang Seng	25854.60	219.37	25930.22	25611.23
HSCEI	8991.02	99.31	9020.79	8895.66
Shanghai Comp Index	3965.12	-0.164	3979.99	3947.419
Nikkei 225	50339.5	-187.44	50534.64	50198.97
KOSPI	4214.17	-6.39	4226.36	4186.95
S&P/ASX200	8717.08	-8.647	8751.9	8706.6
DJIA	48396.3	-65.67	48471.7	48297.26
S&P 500	6904.47	-1.27	6913.25	6893.47
NASDAQ	23450	-24.34	23521.05	23426.78
DAX	24490.4	139.29	24527.94	24328.42
CAC	8168.15	0.69	8184.03	8095.02
FTSE100	9940.71	74.18	9954.32	9859.77

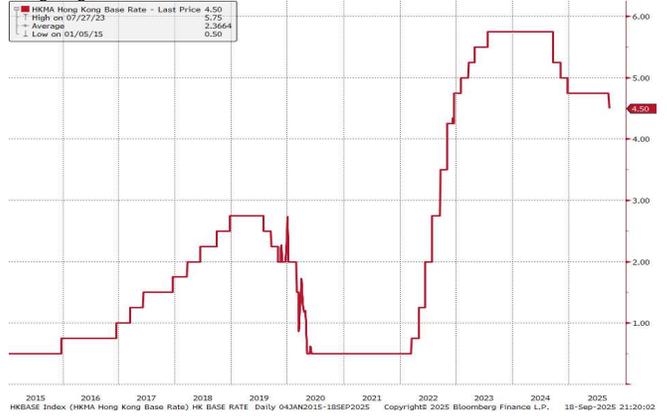
Hong Kong Economic Releases	Period	Survey	Actual	Prior	Revised	
11/28/2025 16:30	Money Supply M1 HKD YoY	Oct	--	12.30%	11.50%	--
11/28/2025 16:30	Money Supply M2 HKD YoY	Oct	--	3.50%	4.50%	--
11/28/2025 16:30	Money Supply M3 HKD YoY	Oct	--	3.50%	4.50%	--
12/01/2025 16:30	Retail Sales Value YoY	Oct	4.70%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

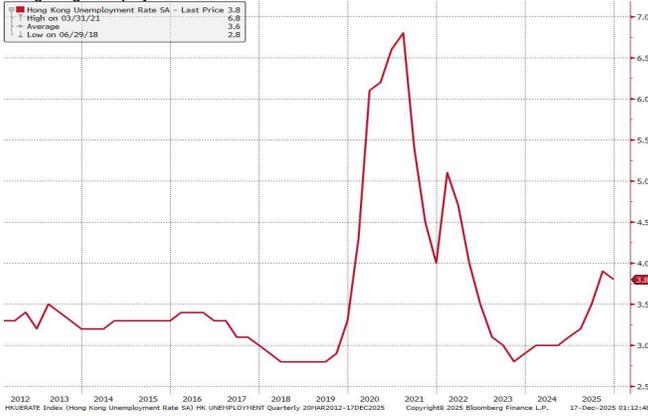
Hong Kong GDP Q on Q



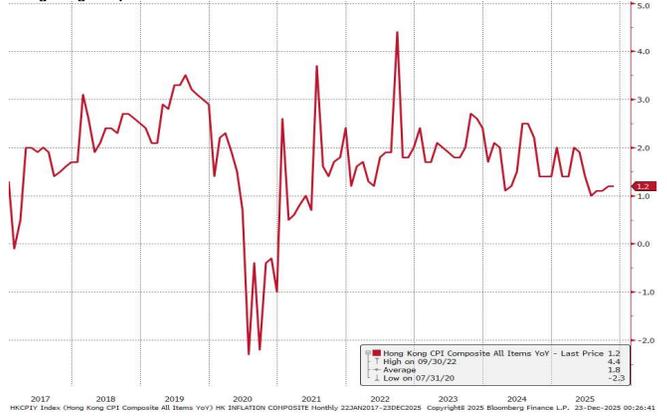
Hong Kong Base Interest Rate



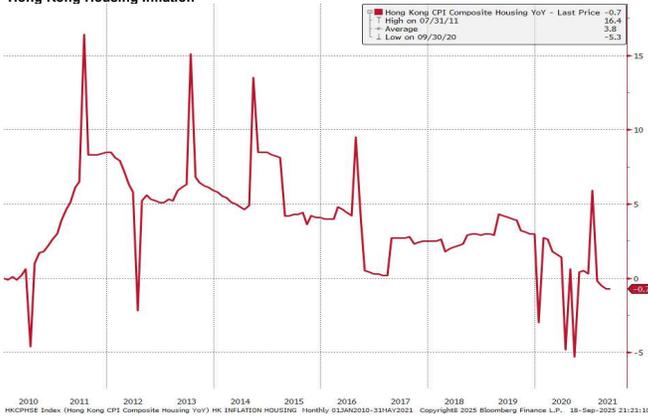
Hong Kong Unemployment Rate



Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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