

Fundamentals:

Hong Kong stocks made a strong start to 2026 on Friday, as investors bet on economic growth after both the mainland and Hong Kong markets recorded bull runs in 2025.

The Hang Seng Index surged 2.8 per cent to 26,338.47 at the close, notching the biggest gain since May 12 and pushing the benchmark to the highest level since November 17. The Hang Seng Tech Index added 3.6 per cent. On the mainland, the markets were closed for public holidays.

Leading the advance, search-engine giant Baidu jumped 9.4 per cent to HK\$143.80, after it said its AI chip unit Kunlunxin filed a listing application with the Hong Kong stock exchange on Thursday.

Electric-vehicle maker Li Auto added 4.9 per cent to HK\$68.05, and online game provider NetEase advanced 6.6 per cent to HK\$228.80. Online-travel booking agency Trip.com climbed 5.2 per cent to HK\$583, while e-commerce giant Alibaba Group Holding lifted 4.3 per cent to HK\$149. WeChat operator Tencent Holdings gained 4 per cent to HK\$623, and Chinese home-grown chipmaker Semiconductor Manufacturing International rose 5.1 per cent to HK\$75.10.

The Hang Seng Index ended 2025 with a 28 per cent gain on Wednesday, securing its best yearly performance since gaining 36 per cent in 2017. The CSI 300 Index of the mainland's yuan-denominated stocks climbed 18 per cent in 2025, the biggest gain since 2020.

Expectations have been building that the stock rally could extend into 2026 after a high-level economic policy meeting chaired by President Xi Jinping last month signalled continued fiscal support and accommodative monetary policy in 2026.

Investors turned more optimistic on China's markets in 2025, putting them back on the radar after the country showed resilience amid tariff friction with the US and highlighted its technological strength with the emergence of home-grown artificial intelligence start-up DeepSeek.

Markets expect Beijing to "continue the policy pivot that began last year", with a focus on boosting demand-side stimulus and stabilising the housing market, said Chi Lo, global market strategist at BNP Paribas Asset Management, in a note on Friday. "If this materialises and is combined with structural reform measures, there is a fair chance that Chinese stock prices could continue to advance this year."

Hong Kong equities are leveraged to any recovery in liquidity, as many globally competitive companies remain undervalued despite solid fundamentals and long-term growth potential, said Liu Chenming, a strategist with GF Securities, in a note on Tuesday.

"If global liquidity conditions turn more accommodative in 2026, renewed inflows from both offshore and onshore capital could trigger a fresh round of gains, with the potential for a seasonal rebound to amplify upside momentum", Liu added.

In its debut, Shanghai Biren Intelligent Technology, the first of China's up-and-coming graphics processing unit developers to list in the city, jumped 76 per cent to HK\$34.46.

Other major Asia-Pacific markets were mixed. South Korea's Kospi lifted 2.3 per cent, while Australia's S&P/ASX 200 added 0.2 per cent. Japan's stock market was closed for a public holiday.

(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:	26825	2nd Resistance:	27222
1st Support:	26033	2nd Support:	25636
MACD:	0.949		
MACD DIFF:	67.2695		
RSI:	60.8005		

Mini Hang Seng China Enterprise

1st Resistance:	9325	2nd Resistance:	9463
1st Support:	9049	2nd Support:	8911
MACD:	-37.066		
MACD DIFF:	30.132		
RSI:	58.39		

Contracts	Chg	Sett	High	Low
H. SENG FUT JAN 26	781	26429	26434	25705
H. SENG FUT FEB 26	777	26480	26488	25800
H. SENG FUT MAR 26	770	26457	26438	25701
H. SENG FUT APR 26	781	26429	26434	25705
MINI H. SENG FUT JAN 26	781	26429	26436	25705
MINI H. SENG FUT FEB 26	777	26480	26484	25764
MINI H. SENG FUT MAR 26	770	26457	26452	25656
MINI H. SENG FUT JUN 26	781	26429	26436	25705
HSCEI FUT JAN 26	284	9187	9193	8916
HSCEI FUT FEB 26	281	9206	9210	8957
HSCEI FUT MAR 26	283	9223	9227	9006
HSCEI FUT APR 26	284	9187	9193	8916
MINI HSCEI FUT JAN 26	284	9187	9193	8920
MINI HSCEI FUT FEB 26	281	9206	9209	8977
MINI HSCEI FUT MAR 26	283	9223	9228	8978
MINI HSCEI FUT JUN 26	284	9187	9193	8920

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	83.3	3.4	83.4	80.1
**Tencent Holdings Ltd	623	24	624.5	600.5
*HSBC Holdings PLC	124.3	1.9	124.7	121.8
**China Construction Bank Corp	7.8	0.11	7.8	7.62
**Ping An Insurance Group	66.8	1.65	66.8	65.25
**Meituan	104.6	1.3	105.8	102.2
*Hong Kong Exchanges & Clearing Ltd	415.8	8.2	416.8	406.6
**Alibaba Group Holdings Ltd	149	6.2	149.7	142.9
**Xiaomi Corp	40.28	0.98	40.5	39.22
**ICBC	6.34	0.05	6.34	6.2

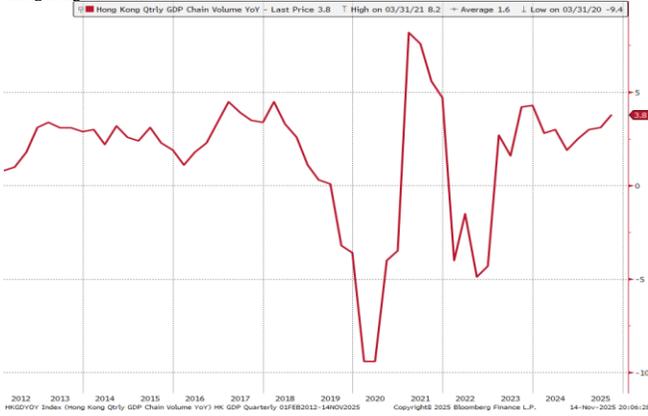
Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	32.54	1.1	32.54	31.1
**China Mobile Ltd	83.45	1.75	83.5	81.85
**Bank of China Ltd	4.53	0.07	4.53	4.42
*Techtronic Industries Co Ltd	92.55	2.65	92.55	89.9
*CK Hutchison Holdings Ltd	54	1.05	54.1	52.95
*Link REIT	35.2	0.46	35.22	34.82
*CLP Holding Ltd	69.9	0.3	69.9	69.5
**Geely Automobile Holdings Ltd	18.2	0.3	18.35	17.7
**CNOOC Ltd	21.86	0.56	21.86	21.3
**ANTA Sports Products Ltd	81.9	1.35	82.3	80.45

Global Equity Indices	Close	Change	High	Low
Hang Seng	26338.47	707.93	26345.63	25717.42
HSCEI	9168.99	255.31	9172.83	8941.75
Shanghai Comp Index	0	0	0	0
Nikkei 225	0	0	0	0
KOSPI	4309.63	95.46	4313.55	4216.68
S&P/ASX200	8727.75	13.444	8737.4	8696.7
DJIA	48352.2	288.93	48404.06	47853.04
S&P 500	6859.49	13.99	6894.87	6824.31
NASDAQ	23231.6	-10.37	23585.96	23119.49
DAX	24539.3	48.93	24676.79	24448.98
CAC	8195.21	0.56	8221.78	8113.34
FTSE100	9951.14	19.76	10046.25	9930.76

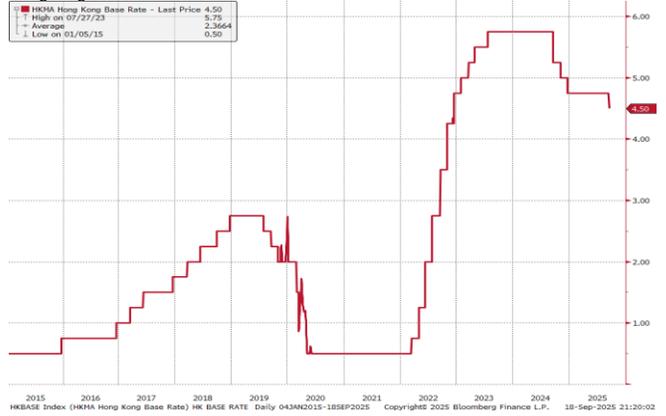
Hong Kong Economic Releases	Period	Survey	Actual	Prior	Revised	
01/02/2026 16:30	Retail Sales Value YoY	Nov	8.60%	6.50%	6.90%	--
01/02/2026 16:30	Retail Sales Volume YoY	Nov	6.70%	4.40%	5.30%	--
01/06/2026 08:30	S&P Global Hong Kong PMI	Dec	--	--	52.9	--
01/20/2026 16:30	Unemployment Rate SA	Dec	--	--	3.80%	--
01/22/2026 16:30	CPI Composite YoY	Dec	--	--	1.20%	--
01/30/2026 16:30	Money Supply M1 HKD YoY	Dec	--	--	14.90%	--
01/30/2026 16:30	Money Supply M2 HKD YoY	Dec	--	--	4.50%	--
01/30/2026 16:30	Money Supply M3 HKD YoY	Dec	--	--	4.50%	--
01/30/2026 16:30	GDP SA QoQ	4Q A	--	--	0.70%	--
01/30/2026 16:30	GDP YoY	4Q A	--	--	3.80%	--

China Economic Releases	Period	Survey	Actual	Prior	Revised	
01/09/2026 09:30	PPI YoY	Dec	--	--	-2.20%	--
01/09/2026 09:30	CPI YoY	Dec	--	--	0.70%	--
1/09/2026-1/15/2026	Money Supply M2 YoY	Dec	8.00%	--	8.00%	--
1/09/2026-1/15/2026	Money Supply M1 YoY	Dec	--	--	4.90%	--
1/09/2026-1/15/2026	Money Supply M0 YoY	Dec	--	--	10.60%	--
1/11/2026-1/18/2026	FDI YTD YoY CNY	Dec	--	--	-7.50%	--
01/19/2026 10:00	GDP YoY	4Q	--	--	4.80%	--
01/19/2026 10:00	GDP YTD YoY	4Q	--	--	5.20%	--
01/19/2026 10:00	GDP SA QoQ	4Q	--	--	1.10%	--
01/19/2026 10:00	Retail Sales YoY	Dec	--	--	1.30%	--
01/19/2026 10:00	Retail Sales YTD YoY	Dec	--	--	4.00%	--
01/31/2026 09:30	Manufacturing PMI	Jan	--	--	50.1	--
01/31/2026 09:30	Non-manufacturing PMI	Jan	--	--	50.2	--
01/31/2026 09:30	Composite PMI	Jan	--	--	50.7	--

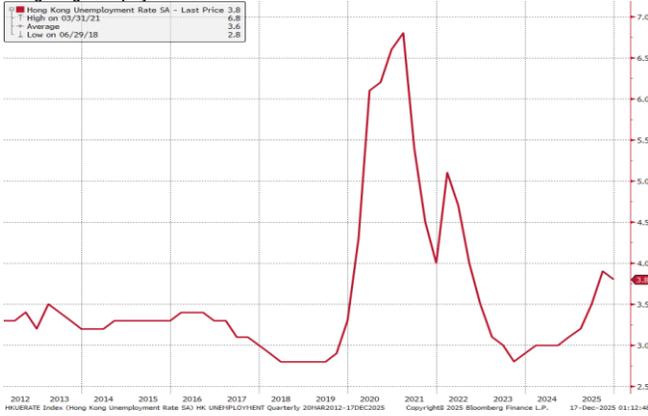
Hong Kong GDP Q on Q



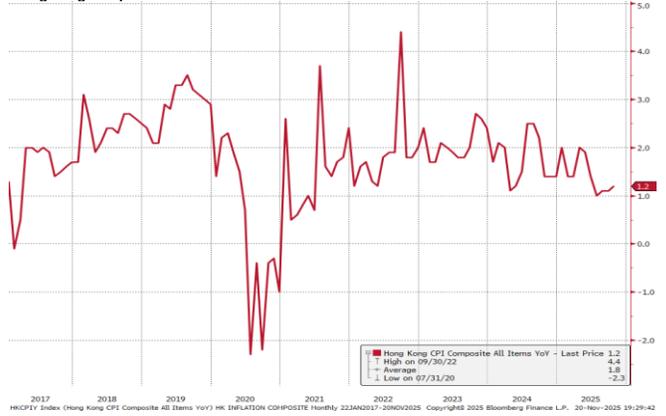
Hong Kong Base Interest Rate



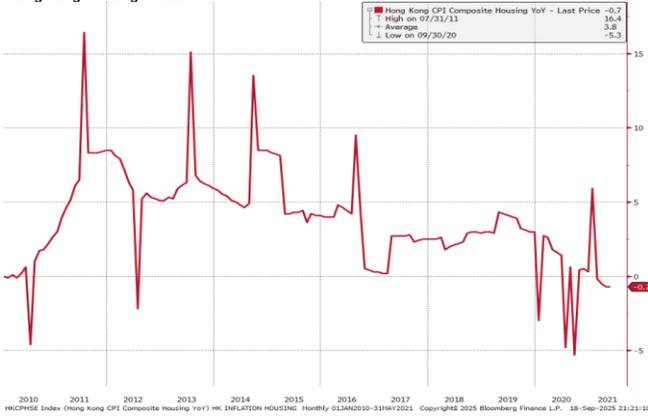
Hong Kong Unemployment Rate



Hong Kong Composite Inflation



Hong Kong Housing Inflation



Hong Kong Retail Sale Value Y on Y %



(Source: Bloomberg)

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