

**Fundamentals:**

The rally that drove Hong Kong stocks to a strong start to 2026 continued to fizzle out on Thursday, with the benchmark falling for a second day as investors geared up for China economic data and digested the fallout of rising geopolitical tensions.

The Hang Seng Index fell 1.2 per cent to 26,149.31 at the close, adding to a 0.9 per cent decline the previous day. The Hang Seng Tech Index dropped 1.1 per cent.

On the mainland, the CSI 300 Index slipped 0.8 per cent and the Shanghai Composite Index finished 0.1 per cent lower.

Personal computer maker Lenovo Group slumped 5.6 per cent to HK\$8.78, and search engine operator Baidu slid 3.3 per cent to HK\$140.30. Alibaba Group Holding retreated 2.3 per cent to HK\$142.60, and Tencent Holdings shed 1.4 per cent to HK\$616. On the plus side, Semiconductor Manufacturing International advanced 0.3 per cent to HK\$74.95 after Morgan Stanley said that demand for the company's chips would remain robust.

The gain in stocks that extended from a bull run in 2025 showed signs of fatigue, as the lack of fresh catalysts prompted investors to hold off on their bets. The Hang Seng Index had risen 4.2 per cent through Tuesday this year as diversification away from high-flying US tech stocks fuelled migration to Chinese peers.

A slew of coming China economic data will test the sustainability of the rally, with traders needing more conviction on the fundamentals front after little room was left for further valuation expansion.

Stocks have been oscillating recently against the backdrop of escalating geopolitical risks after the US launched a sudden military raid on Venezuela and China ratcheted up its sanctions against Japan by banning the export of products with potential military use.

Inflation data due on Friday may show that the streak of monthly declines in mainland producer prices continued into a 39th consecutive month in December, while the gain in consumer prices was subdued. Other figures including foreign trade, credit supply and foreign direct investment are scheduled to be released in the coming week.

Three companies started trading in the city. Zhipu AI, the Chinese developer of AI large language models, rose 13 per cent from the offer price to HK\$131.50. General-purpose graphics processing unit maker Shanghai Luvatar CoreX Semiconductor climbed 8.4 per cent to HK\$156.80 and surgery robot maker Edge Medical surged 31 per cent to HK\$56.60.

Overseas investors boosted their exposure to Chinese stocks in December, with net buying accelerating to US\$3.5 billion from US\$2.3 billion in November, according to Morgan Stanley. For the whole of 2025, they bought a combined US\$14 billion of the equities, reversing US\$26 billion of outflows over the preceding two years, it said in a report on Wednesday.

Global fund managers increased bets on Ping An Insurance Group and Alibaba by the most last month, while Xiaomi, China Construction Bank and Anta Sports Products bore the brunt of position reductions, it said.

Other major Asian markets were mixed. Japan's Nikkei 225 slid 1.6 per cent, while South Korea's Kospi rose less than 0.1 per cent and Australia's S&P/ASX 200 added 0.3 per cent.

(Source: South China Morning Post)

**Mini Hang Seng Futures Daily Chart**



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



Contracts	Chg	Sett	High	Low
H. SENG FUT JAN 26	-332	26141	26467	25998
H. SENG FUT FEB 26	-336	26196	26509	26054
H. SENG FUT MAR 26	-332	26176	26450	26038
H. SENG FUT APR 26	-332	26141	26467	25998
MINI H. SENG FUT JAN 26	-332	26141	26474	25997
MINI H. SENG FUT FEB 26	-336	26196	26528	26056
MINI H. SENG FUT MAR 26	-332	26176	26489	26038
MINI H. SENG FUT JUN 26	-332	26141	26474	25997
HSCEI FUT JAN 26	-107	9037	9142	8980
HSCEI FUT FEB 26	-109	9055	9156	9005
HSCEI FUT MAR 26	-108	9073	9177	9050
HSCEI FUT APR 26	-107	9037	9142	8980
MINI HSCEI FUT JAN 26	-107	9037	9145	8980
MINI HSCEI FUT FEB 26	-109	9055	9158	9000
MINI HSCEI FUT MAR 26	-108	9073	9172	9020
MINI HSCEI FUT JUN 26	-107	9037	9145	8980

Major HSI Constituent Stocks	Close	Change	High	Low
*AIA Group Ltd	83.85	-2.1	85.5	83
**Tencent Holdings Ltd	616	-8.5	621	610
*HSBC Holdings PLC	124.3	-2.9	125	123.3
**China Construction Bank Corp	7.61	-0.01	7.63	7.55
**Ping An Insurance Group	70.2	-0.9	71.1	69.5
**Meituan	101	-3.5	103.9	99.65
*Hong Kong Exchanges & Clearing Ltd	425.2	-5	429.4	421.2
**Alibaba Group Holdings Ltd	142.6	-3.3	144.9	141
**Xiaomi Corp	38.02	-0.14	38.18	37.3
**ICBC	6.1	-0.04	6.14	6.04

Major HSCEI Constituent Stocks	Close	Change	High	Low
*Wuxi Biologics Cayman Inc	36.44	0.32	36.92	35.76
**China Mobile Ltd	80.95	-0.45	81.7	80.65
**Bank of China Ltd	4.42	-0.03	4.46	4.4
*Techtronic Industries Co Ltd	94.55	-1.25	96.5	93
*CK Hutchison Holdings Ltd	55.1	0.4	55.1	54.6
*Link REIT	34.36	-0.22	34.8	34.26
*CLP Holding Ltd	70.95	0.3	71.3	70.75
**Geely Automobile Holdings Ltd	17.39	-0.12	17.39	17.16
**CNOOC Ltd	20.68	0.02	20.78	20.54
**ANTA Sports Products Ltd	81.5	0	81.85	80.65

Global Equity Indices	Close	Change	High	Low
Hang Seng	26149.31	-309.64	26305.69	25960.34
HSCEI	9039.34	-99.41	9099.63	8968.1
Shanghai Comp Index	4082.98	-2.793	4093.872	4067.122
Nikkei 225	51117.3	-844.72	51866.19	51052.83
KOSPI	4552.37	1.31	4622.32	4527.5
S&P/ASX200	8720.76	25.197	8739.2	8693.7
DJIA	49266.1	270.03	49357.74	48792.34
S&P 500	6921.21	0.28	6931.28	6899.33
NASDAQ	23480	-104.26	23558.17	23353.46
DAX	25127.5	5.2	25217.52	25024.65
CAC	8243.47	0.12	8255.52	8203.71
FTSE100	10044.7	-3.52	10059.42	9995.91

**Technical Analysis**

**Mini Hang Seng**

1st Resistance:	26533	2nd Resistance:	26925
1st Support:	25749	2nd Support:	25357
MACD:	131.643		
MACD DIFF:	116.858		
RSI:	59.0307		

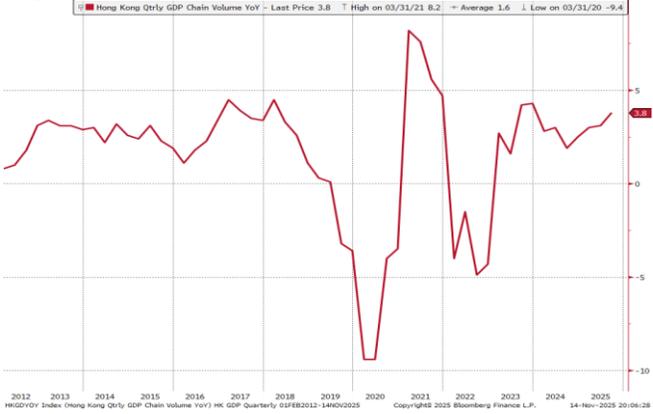
**Mini Hang Seng China Enterprise**

1st Resistance:	9173	2nd Resistance:	9308
1st Support:	8901	2nd Support:	8766
MACD:	9.501		
MACD DIFF:	44.379		
RSI:	54.7526		

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	--	51.9	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	--

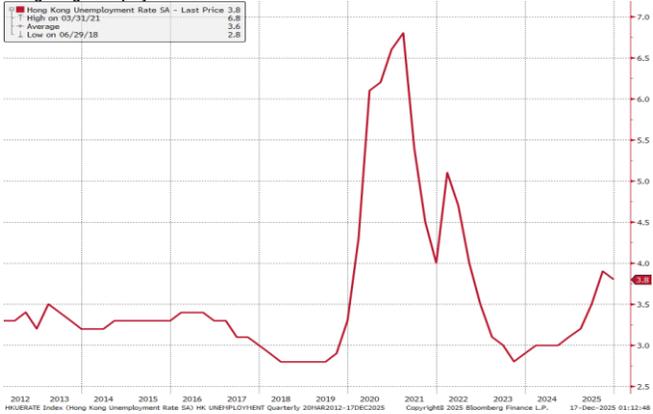
### Hong Kong GDP Q on Q



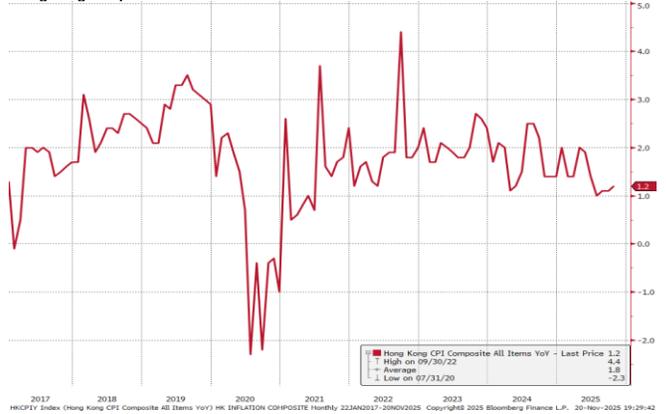
### Hong Kong Base Interest Rate



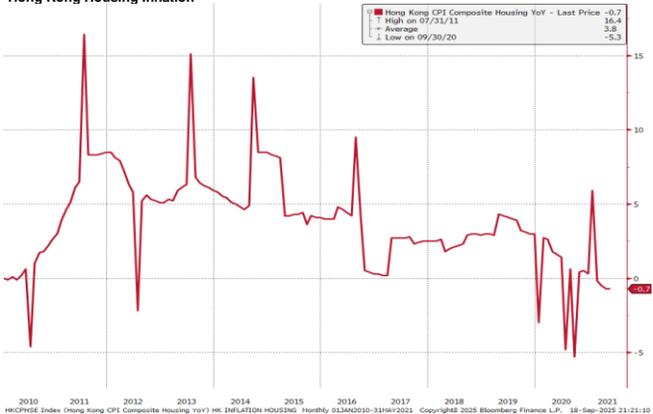
### Hong Kong Unemployment Rate



### Hong Kong Composite Inflation



### Hong Kong Housing Inflation



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



(Source: Bloomberg)

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