

## Hong Kong 50: Q4 2022 Outlook

After spiking past the 21,800 mark at the beginning of the third quarter, the Hong Kong 50, or Hang Seng 50, made a steady downturn through the rest of the quarter. The Hong Kong 50 fell close to the 17,200 mark on investor concerns around global macroeconomic issues.

In September, the Hang Seng Index fell to its lowest settlement level since December 2011, facing headwinds from interest rate hikes by major central banks, rising inflation levels, the Russia-Ukraine war and concerns related to China. The Hong Kong 50 is widely expected to maintain a downward trajectory and could slump to below 16,500 in the fourth quarter.

### Economic Data to Watch Out for in Q4 2022

#### [October 25, 2022 / November 28, 2022 / December 29, 2022: Hong Kong's Balance of Trade](#)

Hong Kong's trade deficit shrank to HK\$13.3 billion in August, from HK\$26.3 billion in the year-earlier period, recording the smallest trade gap in seven months. Imports shrank by 16.3% to HK\$385.1 billion, mainly due to issues in China, Singapore and South Korea. Exports fell by 14.3% to HK\$371.9 billion, following a decline in shipments of electrical machinery, apparatus and appliances.

#### [November 3, 2022 / December 15, 2022: Hong Kong's Interest Rate Decision](#)

The Hong Kong Monetary Authority raised its base rate by 75 basis points to 3.5% at its September meeting, announcing the fifth hike this year. The September hike took borrowing costs to the highest level since October 2008.

#### [October 21, 2022 / November 21, 2022 / December 20, 2022: Hong Kong's Inflation Rate](#)

Hong Kong's annual inflation rate came in unchanged at a seven-month high of 1.9% in August, in-line with the previous month's reading but below the consensus estimate of 2%. The underlying inflation rate eased to 1.8% in August, from 1.9% a month ago. Inflation in Hong Kong is expected to remain moderate in the near term.

#### [October 31, 2022 / November 11, 2022: Hong Kong's GDP Growth Rate](#)

Hong Kong's economy shrank by 1.3% year-over-year in the second quarter, following a decline of 3.9% in the first quarter. The country's government revised its full-year GDP forecast from between 1%-2% to between 0.5% and - 0.5%.

#### [October 7, 2022 / November 4, 2022 / December 2, 2022: US Jobs Report](#)

US nonfarm payrolls rose by 315,000 in August, following an addition of 526,000 in July. The figure was above market expectations of 300,000 job additions, which signalled increased hiring across several sectors. The US unemployment rate rose to 3.7% in August, reaching the highest level since February, and came higher than the consensus estimate of 3.5%. Analysts expect the US to add another 290,000 jobs in the non-farm sector in September. However, the unemployment rate is expected to remain unchanged at 3.7%.

### [Q4 2022 Predictions: Other Events That Could Impact the Hong Kong 50](#)

Investors will keep an eye on covid restrictions in China and the country's economic growth, which is projected to slow to 3.2%. Market sentiment for the Hong Kong 50 may also be impacted by global economic growth.