



KGI

CHINA
DEVELOPMENT
FINANCIAL

Investment Daily

15 July 2019

Major Market Indicators

	12 Jul	11 Jul	10 Jul
Mkt. Turn.(mn)	62,400	67,400	64,300
Stock Advances	702	936	902
Stock Declines	901	668	722
HSI	28,471	28,431	28,204
Change	+39	+227	+88
HSI Turn.(\$bn)	19.90	19.86	21.66
HSCEI	10,788	10,784	10,701
Change	+4	+82	+51
HSCEI Turn.(\$bn)	19.16	18.12	18.21

HSI Technical Indicators

10-days MA	28,540
50-days MA	28,080
250-days MA	27,607
14-days RSI	54.68
Primary resistance	28,629
Primary support	28,301

HSCEI Technical Indicators

10-days MA	10,824
50-days MA	10,740
250-days MA	10,799
14-days RSI	51.26
Primary resistance	10,799
Primary support	10,740

HSI Futures

	12 Jul	11 Jul	10 Jul
Jul	28,539	28,454	28,202
Volume	150,068	148,098	144,002
Open interests	115,360	123,685	127,171
Aug	28,511	28,427	28,180
Volume	286	633	518
Open interests	1,656	1,565	1,472

HSCEI Futures

	12 Jul	11 Jul	10 Jul
Jul	10,822	10,789	10,695
Volume	58,596	62,117	40,873
Open interests	197,396	200,235	198,389
Aug	10,832	10,796	10,705
Volume	671	2,348	1,330
Open interests	6,175	6,038	4,325

Market Overview

The Hang Seng Index is expected to trade at 28,200-28,600 today

Although US stock market hit new high the night before, Hong Kong stock market opened slightly lower on Friday. Thanks to A share reverse recent weakness, Hong Kong stock market afterwards. The Hang Seng Index closed 40 points higher at 28,472. H share index rose 4 points to 10,788. Market turnover was HK\$62.4bn only, reflecting most investors stay sideline. Property management company continued to perform well on Friday, of which, Country Garden Services (6098) rose 3.3%. Besides, A share rebound also boost mainland insurance stock, CPIC(2601) rose 3.6%.

Interest rate cut expectation continued to boost investors confidence, US stock market rose again last Friday. Besides, US factory output sharply in May, might be a sign that manufacturing sector is stabilizing. US stock hit record again on Friday, all three major closed at new high. The Dow and the Nasdaq rose 244 points (to 27,332) and 48 points (to 8,244) respectively. Looking ahead, investors focus will shift to US corporate quarter results, of which, major US banks will release the results earlier of the week, which will be market focus.

Fed Chairman Powell comment strengthen interest rate cut expectation, Hong Kong stock rebounded but capped at 100 Day SMA. In fact, local market turnover remained weak, together with Budwiser withdrew its IPO plan, reflecting lack of fund flowing into HK stock market. Investors focus will eye on the major China economic data especially the second quarter GDP today.

Technical Analysis

The Hang Seng Index opened higher last Friday, once further rose to test 100 Day SMA (28,629) but was capped. It finally erased some of the gain, closing below 10 Day SMA (28,540) but still closed with a white candlestick. On the other hand, its MACD dipped into the negative territory while its negative trend further intensified. Hang Seng Index first support is at 20 Day SMA (28,301) while second support is 50 Day SMA (28,080). On the other hand, first resistance is 100 Day SMA (28,629).while second resistance is at 29,000.

HSI Chart



Sources : Google