



KGI

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DEVELOPMENT
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Major Market Indicators

	20 Jun	19 Jun	18 Jun
Mkt. Turn.(mn)	97,800	105,100	71,000
Stock Advances	1,129	1,214	912
Stock Declines	569	530	714
HSI	28,550	28,202	27,498
Change	+384	+703	+271
HSI Turn.(\$bn)	37.21	42.44	28.22
HSCEI	10,922	10,764	10,507
Change	+157	+257	+79
HSCEI Turn.(\$bn)	32.80	32.97	20.43

HSI Technical Indicators

10-days MA	27,553
50-days MA	28,509
250-days MA	27,648
14-days RSI	62.44
Primary resistance	28,800
Primary support	28,000

HSCEI Technical Indicators

10-days MA	10,549
50-days MA	10,999
250-days MA	10,824
14-days RSI	61.67
Primary resistance	10,999
Primary support	10,824

HSI Futures

	20 Jun	19 Jun	18 Jun
Jun	28,515	28,146	27,444
Volume	182,239	186,360	186,470
Open interests	149,690	138,022	155,755
Jul	28,464	28,090	27,385
Volume	3,750	3,732	2,246
Open interests	8,804	6,668	5,739

HSCEI Futures

	20 Jun	19 Jun	18 Jun
Jun	10,873	10,696	10,454
Volume	112,216	120,198	79,723
Open interests	228,394	241,011	258,249
Jul	10,830	10,647	10,404
Volume	4,559	1,979	4,976
Open interests	20,608	17,994	15,591

Market Overview

The Hang Seng Index is expected to trade at 28,300-28,700 today

The Federal Reserve kept the federal funds rate target unchanged, while nearly half of the officials suggested the need to cut interest rates probably by up to 0.5% this year. Hong Kong stock market continued to rebound, Hang Seng Index rose 348 points to 28,550 points and regain 50 days SMA(28,509) and 100days SMA(28,508) level, while H-Share Index up 158 points to 10,922points. The market turnover was 97.8 billion. Ping An(2318) repurchased 13.0035 million A-shares on the Shanghai Stock Exchange, it up 3.7%. China Mobile (0941) 4G net addition 4.99Million in May, the share price up 0.71%. Geely Auto(0175) up 4.9% and was the best performing blue chip.

Federal Reserve Chairman Powell signaled that the Fed might cut US interest rate, continue to provide support to the US stock market. Besides, Iran shot down a U.S. military drone, adding to fears of a deepening conflict and potential disruption to oil supplies, oil price rose 5.7% to US\$57.1 per barrel on Thursday, boost the energy stock. The Dow and the Nasdaq rose 249 points (to 26,753) and 64 points (to 8,051) on Thursday, while S&P 500 index closed at record high. On the other hand, funds continued flow into treasury market, 10 Year US Treasury yield fell 2 basis points to 2.01%.

Thanks to global Central bank monetary policy turned dovish, overall stock market sentiment has been improved. Together with the weakness of US dollar and interest rate, Hong Kong stock market will be benefit. However, Hang Seng Index has accumulated significant rebound in the past few trading days, further upside might be limited in the near term. Hang Seng Index resistance has been shift upward to 29,000.

Technical Analysis

The Hang Seng Index opened higher again on Thursday, and finally closed above the intersection of 50 Day SMA (28,509) and 100 Day SMA(28,508) with a white candlestick. On the other hand, MACD remained in the positive territory, its positive trend has been accelerated again. On the other hand, 9 Day RSI rose to 71.8. Hang Seng Index first support is at 28,000 while second support is 250 Day SMA (27,648). On the other hand, first resistance is 28,800, while second resistance is at 29,000.

HSI Chart



Sources : Google