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Major Market Indicators

	9 Jul	8 Jul	5 Jul
Mkt. Turn.(mn)	70,300	75,700	56,200
Stock Advances	600	371	780
Stock Declines	1,000	840	840
HSI	28,116	28,774	28,774
Change	-215	-20	-20
HSI Turn.(\$bn)	23.90	25.13	15.49
HSCEI	10,650	10,895	10,895
Change	-74	-18	-18
HSCEI Turn.(\$bn)	18.87	19.23	12.58

HSI Technical Indicators

10-days MA	28,532
50-days MA	28,158
250-days MA	27,606
14-days RSI	48.27
Primary resistance	28,626
Primary support	28,000

HSCEI Technical Indicators

10-days MA	10,838
50-days MA	10,788
250-days MA	10,798
14-days RSI	44.35
Primary resistance	10,744
Primary support	11,600

HSI Futures

	9 Jul	8 Jul	5 Jul
Jul	28,103	28,360	28,780
Volume	170,001	175,310	144,112
Open interests	118,521	122,041	128,056
Aug	28,080	28,347	28,758
Volume	420	477	668
Open interests	1,068	909	950

HSCEI Futures

	9 Jul	8 Jul	5 Jul
Jul	10,642	10,758	10,893
Volume	65,429	82,187	48,289
Open interests	194,923	196,961	199,206
Aug	10,654	10,766	10,902
Volume	719	344	151
Open interests	3,779	3,295	3,211

Market Overview

The Hang Seng Index is expected to trade at 28,000-28,400 today

Market expectation on US rate cut cooled down. Hong Kong stock market continued to be under pressure. Hang Seng Index dropped 215 points to 28,116. H-share Index fell 74 points to 10,650. Market turnover was HK\$70.3 billion. Geely(175) issued negative profit alert and lowered its full year sales volume target. Share price declined 3.8%. A US company is said to have progress on research regarding African Swine Fever vaccine. Pork price may have downside risk. COFCO Meat(1610) dropped 4.3%. WH Group(288) fell 3.2%.

US stock continued its recent correction on Tuesday, the Dow once fell more than 140 points. However, Fed Chair Jerome Powell is scheduled to testify in front of the House Financial Services Committee on Wednesday, which is expected to provide clues on whether and how much the Fed will cut rates later this month, investors prefer to stay sideline. Thanks to the rise of large cap technology stocks, US stock narrowed most early loss, the Dow fell 23 points only (at 26,783) while the Nasdaq rose 43 points (to 8,142).

Investors closely monitored the Fed Chairman Powell testifying in Congress tonight, especially the remarks about the pace of interest rate cuts. It is expected that investors will wait and see at the moment. The Hang Seng Index is expected to range trade above 28,000 today. In addition, some small and medium-sized stocks have fluctuated sharply in recent trading days. Investors should be alert of the risk of short-term stock price fluctuations of such stocks.

Technical Analysis

The Hang Seng Index opened lower on Tuesday, fell below the support at 50 Day SMA (28,158), finally closing with a black candlestick but still able to stay above 28,000. Although MACD remained in the positive territory, its positive trend showed sign of deceleration. Besides, 14 Day RSI fell below 50. Hang Seng Index first support is at 28,000 while second support is 250 Day SMA (27,606). On the other hand, first resistance is 100 Day SMA (28,626).while second resistance is at 29,000.

HSI Chart



Sources : Google