



KGI

CHINA
DEVELOPMENT
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Major Market Indicators

	17 Jul	16 Jul	15 Jul
Mkt. Turn.(mn)	60,000	65,600	71,400
Stock Advances	686	795	780
Stock Declines	901	747	850
HSI	28,593	28,619	28,554
Change	-26	+64	+83
HSI Turn.(\$bn)	18.75	21.53	24.41
HSCEI	10,847	10,865	10,838
Change	-17	+26	+50
HSCEI Turn.(\$bn)	16.15	18.10	20.58

HSI Technical Indicators

10-days MA	28,489
50-days MA	28,000
250-days MA	27,607
14-days RSI	56.67
Primary resistance	28,640
Primary support	28,489

HSCEI Technical Indicators

10-days MA	10,801
50-days MA	10,698
250-days MA	10,800
14-days RSI	53.98
Primary resistance	11,000
Primary support	10,838

HSI Futures

	17 Jul	16 Jul	15 Jul
Jul	28,616	28,622	28,523
Volume	142,182	149,222	186,952
Open interests	122,712	118,431	114,800
Aug	28,585	28,591	28,489
Volume	471	809	638
Open interests	2,516	2,274	1,855

HSCEI Futures

	17 Jul	16 Jul	15 Jul
Jul	10,842	10,863	10,820
Volume	56,702	49,601	70,842
Open interests	193,586	189,869	190,732
Aug	10,848	10,873	10,830
Volume	1,137	1,768	346
Open interests	7,679	7,686	6,924

Market Overview

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

Overnight, US stock market fell after hit a new high. US President Trump said that Sino-US trade relations still have a long way to go. Hong Kong stocks opened lower on Wednesday. Hong Kong stocks closed at 28,593 points, down 26 points. The H-Share Index fell 17 points to 10,847 points. The market turnover was HK\$ 60 billion. The auto stocks ran out, and Geely (175) rose 3.0%, making it the best blue chip. The oil price fell and the "three barrels of oil" was under pressure. In addition, WH Group(288) fell 1.9%, being the worst blue chip.

Latest Federal Reserve Beige Book showed that US economy expanded at modest pace, while business were generally positive about the coming few months outlook. However, it failed to provide much support to the US stock market on Wednesday. Most of the corporate quarter results released on Wednesday beat expectation, while share price performance is mixed. Wall Street Journal reported that progress on a trade deal with China are stalled over restrictions on Huawei, triggered further selling pressure on US stock market in late session. The Dow and the Nasdaq closed 116 points (to 27,220) and 38 points (to 8,185) lower respectively.

Most local blue chips listed in the US ADR market fell last night. Besides, recent news saying the China US trade talk stalled and President Trump negative comment also hurt investor confidence. Local market is expected to open lower today. 100 Day SMA remained the short term resistance for the Hang Seng index.

Technical Analysis

The Hang Seng Index opened lower and once fell below 10 Day SMA(28,489) and 20 Day SMA(28,497) respectively, but rebounded afterward, closing with a white candlestick again, but still capped by 100 Day SMA (28,640). On the other hand, MACD rebounded to positive territory. Together with low market turnover, the Hang Seng Index is still pending for change. Hang Seng Index first support is at 10 Day SMA (28,489) while second support is 50 Day SMA (28,000). On the other hand, first resistance is 100 Day SMA (28,640).while second resistance is at 29,000.

HSI Chart



Sources : Google