



# KGI

CHINA  
DEVELOPMENT  
FINANCIAL

# Investment Daily

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## Major Market Indicators

	12 Jun	11 Jun	10 Jun
Mkt. Turn.(mn)	77,000	91,600	91,900
Stock Advances	378	1,086	1,190
Stock Declines	1,302	642	554
HSI	27,308	27,789	27,578
Change	-480	+210	+613
HSI Turn.(\$bn)	31.40	91.60	41.54
HSCEI	10,494	10,620	10,526
Change	-125	+93	+192
HSCEI Turn.(\$bn)	24.78	29.99	33.67

## HSI Technical Indicators

10-days MA	27,144
50-days MA	28,706
250-days MA	27,733
14-days RSI	41.94
Primary resistance	27,733
Primary support	27,144

## HSCEI Technical Indicators

10-days MA	10,432
50-days MA	11,104
250-days MA	10,864
14-days RSI	40.88
Primary resistance	10,860
Primary support	10,432

## HSI Futures

	12 Jun	11 Jun	10 Jun
Jun	27,122	27,688	27,469
Volume	171,431	164,502	178,385
Open interests	126,861	129,078	129,312
Jul	27,066	27,630	27,409
Volume	1,231	1,637	1,230
Open interests	2,897	3,027	1,663

## HSCEI Futures

	12 Jun	11 Jun	10 Jun
Jun	10,387	10,535	10,421
Volume	92,352	92,208	109,076
Open interests	239,592	248,836	252,907
Jul	10,336	10,483	10,372
Volume	2,670	1,039	3,606
Open interests	12,373	11,541	10,637

## Market Overview

### The Hang Seng Index is expected to trade at 27,000-27,400 today

US Secretary of Commerce Ross stated that US and China will finally negotiate a trade deal, yet it will not be nailed at the G20 summit, together with political turmoil in Hong Kong, which posed negative impact on investment sentiments. Hang Seng Index dropped 481 points to 27,308. H-share Index decreased 125 points to 10,495. Market turnover was HK\$77.0billion. China's May CPI up 2.7% YoY and PPI rose 0.6% YoY, which were in line with market expectations. Sunny Optical(2382) May handset lens shipment rose 38.7% YoY but down 5.8% MoM, it dropped 6.05% and was the worst performers among the blue-chips.

Investors focus shift back to uncertainties on China US relationship on Wednesday, US stock market continued to retreat. However, US Consumer Price Index increase (both core and non-core) slowed in May, once again boost investors belief that the Fed will soon cut rate, which limit the market's decline. The Dow and the Nasdaq closed 44 points (to 26,005) and 30 points lower respectively. On the other hand, owing to reported oil inventory increase, oil price fell to US\$51.1 per barrel, a 5-month low.

Owing to a lot of negatives factors including China US relationship remained tight, uncertain political environment in Hong Kong as well as sharp rise of Hong Kong Interbank rate, local blue chips remained weak in the US ADR market last night. Hong Kong stock market would remain weak today. Besides, investors focus will also eye on a series of China and US economic data to be released on Friday.

## Technical Analysis

The Hang Seng Index opened below 250 Day SMA (27,733) on Wednesday, and continued to fall with a black candlestick, finally closing below 20 Day SMA(27,419). Besides, MACD rebound into the positive territory, while the positive trend has still been further accelerated. Market turnover shrank to HK\$77bn. Hang Seng Index first support is at 10 Day SMA(27,144), while second support is 26,672. On the other hand, first resistance is 250 Day SMA (27,733), while second resistance is at 28,000.

## HSI Chart



Sources : Google