



KGI

CHINA
DEVELOPMENT
FINANCIAL

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Major Market Indicators

	18 Jul	17 Jul	16 Jul
Mkt. Turn.(mn)	60,600	60,000	65,600
Stock Advances	591	686	795
Stock Declines	1,028	901	747
HSI	28,461	28,593	28,619
Change	-131	-26	+64
HSI Turn.(\$bn)	19.12	18.75	21.53
HSCEI	10,784	10,847	10,865
Change	-63	-17	+26
HSCEI Turn.(\$bn)	16.82	16.15	18.10

HSI Technical Indicators

10-days MA	28,456
50-days MA	27,985
250-days MA	27,607
14-days RSI	53.34
Primary resistance	28,642
Primary support	28,377

HSCEI Technical Indicators

10-days MA	10,788
50-days MA	10,689
250-days MA	10,801
14-days RSI	50.14
Primary resistance	10,788
Primary support	10,689

HSI Futures

	18 Jul	17 Jul	16 Jul
Jul	28,427	28,616	28,622
Volume	152,534	142,182	149,222
Open interests	119,404	122,712	118,431
Aug	28,392	28,585	28,591
Volume	640	471	809
Open interests	2,493	2,516	2,274

HSCEI Futures

	18 Jul	17 Jul	16 Jul
Jul	10,787	10,842	10,863
Volume	58,923	56,702	49,601
Open interests	193,651	193,586	189,869
Aug	10,795	10,848	10,873
Volume	556	1,137	1,768
Open interests	7,850	7,679	7,686

Market Overview

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

More than 7% of S&P 500 index companies had reported second-quarter earnings, of which 85% posted profits that beat analyst expectations according to FactSet data. However U.S. intended to enact the restrictions on Huawei, together with the progress toward U.S.-China trade deal has stalled, U.S. stocks recorded loss. Hang Seng Index down 132 points to 28,462 points, while H-Share Index dropped 63 points to 10,785 points. The market turnover was 60.6 billion. Cathay Pacific (293) announced that Cathay Pacific and Cathay Dragon carried a total of 3.1 million passengers last month, an increase of 6% YoY, however cargo dropped 9.1% YoY, the share price down 0.65%. Want Want China(0151) up 1.5% and was the best performing blue chip.

US stock market continued its correction on early Thursday. Netflix shares plunged more than 10% after reporting a surprise loss in U.S. subscribers coupled with slower-than-expected international membership growth. The Dow once fell more than 150 points. However, New York Federal Reserve President Williams said the central bank needed to "act quickly" when the economy was slowing and rates were low, supporting the US stock market to recover its early loss. The Dow and the Nasdaq rose 3 points (to 27,223) and 22 points (to 8,207) respectively. On the other hand, global central bank tended to lower interest rate, gold price rose 1% to 1,442 US Dollar per ounce.

New York Federal Reserve President Williams further strengthen US rate cut expectation in coming July meeting. Besides, several Asian Central Banks also lowered interest rate recently, which might provide support to global stock markets including Hong Kong. However, HK stock recent market turnover remained low, reflecting lack of funds flowing into the market. Hong Kong stock market is expected to continue range trading today.

Technical Analysis

The Hang Seng Index opened lower and once fell below 10 Day SMA(28,456) and 20 Day SMA(28,510) respectively, but rebounded afterward, closing with a white candlestick again, but still below 20 Day SMA(28,510). On the other hand, MACD dip to negative territory again. Together with low market turnover, the Hang Seng Index is still pending for change. Hang Seng Index first support is at past two day low at 28,377 while second support is 50 Day SMA (27,985). On the other hand, first resistance is 100 Day SMA (28,642). while second resistance is at 29,000.

HSI Chart



Sources : Google