



# KGI

CHINA  
DEVELOPMENT  
FINANCIAL

# Investment Daily

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## Major Market Indicators

	25 Jun	24 Jun	21 Jun
Mkt. Turn.(mn)	82,400	69,782	118,600
Stock Advances	544	855	773
Stock Declines	1,183	791	916
HSI	28,183	28,513	28,473
Change	-327	+39	-76
HSI Turn.(\$bn)	28.18	24.38	44.47
HSCEI	10,742	10,952	10,921
Change	-210	+31	0
HSCEI Turn.(\$bn)	29.00	20.70	38.08

## HSI Technical Indicators

10-days MA	27,837
50-days MA	28,409
250-days MA	27,623
14-days RSI	55.19
Primary resistance	28,409
Primary support	27,833

## HSCEI Technical Indicators

10-days MA	10,663
50-days MA	10,945
250-days MA	10,811
14-days RSI	51.97
Primary resistance	10,811
Primary support	10,663

## HSI Futures

	25 Jun	24 Jun	21 Jun
Jun	28,156	28,423	28,422
Volume	237,299	186,686	179,438
Open interests	99,074	111,774	137,509
Jul	28,113	28,372	28,377
Volume	74,186	43,142	5,592
Open interests	82,221	39,112	13,047

## HSCEI Futures

	25 Jun	24 Jun	21 Jun
Jun	10,737	10,877	10,868
Volume	206,382	138,091	101,911
Open interests	196,968	193,644	213,843
Jul	10,689	10,826	10,824
Volume	129,315	75,833	7,210
Open interests	163,974	81,323	25,054

## Market Overview

### The Hang Seng Index is expected to trade at 27,900-28,300 today

Market awaits Donald Trump-Xi Jinping trade negotiation at G20 meeting. Overnight US equities mixed. But Chinese financial stocks fell which dragged both China and Hong Kong stock market. Hang Seng Index dropped 327 points to 28,183, which fell below 50-SMA(28,409). H-share Index dropped 210 points to 10,742. Market turnover was HK\$82.4 billion. It is reported that US judge holds three Chinese banks in contempt for refusing to comply with probes into violations of North Korea sanction. CM Bank(3968) and Bank of Communications(3328) were said to be involved in this case. Share price dropped 3.7-7.7%. Chinese insurance sector decreased. Ping An(2318) and China Life(2628) declined 1.3-1.4%.

Federal Reserve Chairman Powell said the central banks was still monitoring the economy for signs of weakness and would seek to avoid a knee-jerk reaction in terms of cutting benchmark interest rates, which cooled investor optimism on future rate cut pace. Besides, investors also turned cautious on the outcome of President Xi and President Trump at G20 meeting. US stock fell on Tuesday, of which, weakness of Microsoft and other software companies led technology stock decline. The Dow and the Nasdaq fell 179 points (to 26,548) and 121 points (to 7,885) respectively.

Owing to the weakness of Tencent, local blue chips fell in the US ADR market last night. Besides, US judge holds three Chinese banks in contempt for refusing to comply with probes into violations of North Korea sanction, also raised concerned that the recent China US conflicts will extend to financial sector. Investors are expected to stay sideline ahead of XI-Trump meeting at G20 later this week. Hang Seng Index support will be seen at 10 Day SMA(27,833).

## Technical Analysis

The Hang Seng Index fell with a black candlestick on Tuesday, closing below the 50 Day SMA(28,409). On the other hand, MACD remained in the positive territory, its positive trend started to decelerate. Hang Seng Index recent positive technical trend has not been reversed. Hang Seng Index first support is at 10 Day SMA(27,833) while second support is 250 Day SMA (27,623). On the other hand, first resistance is 50 Day SMA(28,409), while second resistance is at 100 Day SMA(28,547).

## HSI Chart



Sources : Google