



KGI

CHINA
DEVELOPMENT
FINANCIAL

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Major Market Indicators

	16 Jul	15 Jul	12 Jul
Mkt. Turn.(mn)	65,600	71,400	62,400
Stock Advances	795	780	702
Stock Declines	747	850	901
HSI	28,619	28,554	28,471
Change	+64	+83	+39
HSI Turn.(\$bn)	21.53	24.41	19.90
HSCEI	10,865	10,838	10,788
Change	+26	+50	+4
HSCEI Turn.(\$bn)	18.10	20.58	19.16

HSI Technical Indicators

10-days MA	28,516
50-days MA	28,030
250-days MA	27,607
14-days RSI	57.34
Primary resistance	28,638
Primary support	28,442

HSCEI Technical Indicators

10-days MA	10,809
50-days MA	10,712
250-days MA	10,800
14-days RSI	55.07
Primary resistance	11,000
Primary support	10,800

HSI Futures

	16 Jul	15 Jul	12 Jul
Jul	28,622	28,523	28,539
Volume	149,222	186,952	150,068
Open interests	118,431	114,800	115,360
Aug	28,591	28,489	28,511
Volume	809	638	286
Open interests	2,274	1,855	1,656

HSCEI Futures

	16 Jul	15 Jul	12 Jul
Jul	10,863	10,820	10,822
Volume	49,601	70,842	58,596
Open interests	189,869	190,732	197,396
Aug	10,873	10,830	10,832
Volume	1,768	346	671
Open interests	7,686	6,924	6,175

Market Overview

The Hang Seng Index is expected to trade at 28,400-28,800 today

US stock market refreshed record high. Hong Kong stock market lacked direction and faced resistance at 100-SMA(28,638 points). Hang Seng Index rose 65 points to 28,619. H-share Index rose 26 points to 10,865. Market turnover was HK\$65.6 billion. China tightens regulation on online gambling, which is believed to be favorable to Macau gambling sector. Galaxy Entertainment (27) increased 2.9%. National Bureau of Statistics announced that June pork price rose more than 20%. Pork stocks increased. COFCO(1610) jumped 5.8% while Putian Food advanced 4.4%.

Donald Trump said an agreement with China on trade tariffs had “a long way to go and said that his friendship with Chairman Xi is not as close as before. On the other hand, US retail sales rose 0.4% which is much higher than expectation, US dollar rebounded to near recent few weeks high at 97.4. However, Federal chairman Powell said the economic outlook hasn’t improved since the last FOMC meeting in June, likely setting the stage for an interest rate cut. Despite a series of mixed news, US stock market just traded within narrow range on Tuesday. The Dow once hit new high, but finally closed 24 points lower (at 27,336), while the Nasdaq fell 35 points (to 8,223).

Donald Trump latest speech might reflect China and US trade talk lack of progress, which might hurt Hong Kong stock market sentiment today. On the other hand, global stock market remain firm given ECB and Fed dovish monetary policy, might provide some support to Hong Kong stock market. Hong Kong stock market is likely to consolidate at recent range today. Hang Seng Index major support is at 50 Day SMA (28,030).

Technical Analysis

The Hang Seng Index continued its recent rally on Tuesday, closing with a white candlestick again, but still capped by 100 Day SMA (28,638). On the other hand, MACD dipped into the negative territory while its negative trend has decelerated. Together with low market turnover, the Hang Seng Index is still pending for change. Hang Seng Index first support is at 20 Day SMA (28,442) while second support is 50 Day SMA (28,030). On the other hand, first resistance is 100 Day SMA (28,638).while second resistance is at 29,000.

HSI Chart



Sources : Google